FOREIGN AFFAIRS

AN AMERICAN QVARTERLY REVIEW

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JULY 1971

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The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.* The Editors.

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FOREIGN AFFAIRS

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INDOCHINA: DISENGAGING

By General Matthew B. Ridgway

THE war in Vietnam has lasted longer than any armed conflict outside our borders in which we have been engaged in the nearly two centuries of our independent existence, and disengagement and complete withdrawal are still a question mark. The conflict has engendered divided opinions, manifested in bitter and potentially dangerous confrontations among our people, and we still are uncertain what it was we sought and why, where we should now proceed, and what courses of action would best serve our national interests.

Out of the ever-changing verbal explanations of purpose, boasts of successes attained, and justification for our actions which for more than a decade now have emanated from authoritative governmental sources, we are currently assured that we are "winding down the war," that our involvement is nearing its end, that there is a plan to accomplish this, and that that plan will be carried out. We are even assured that no further explanation of the word "end" is needed.

Concurrently come other quite different statements from equally authoritative sources that American forces will remain in South Vietnam until all U.S. prisoners are released, and until the present government of South Vietnam has "at least a reasonable chance to survive" on its own.

It is difficult to see how a war can be ended unless all participants agree to terminate it. And in the light of our announced intention that residual forces, including but not limited to American airpower, will remain until such agreement is reached and captives are released, it is still more difficult to reconcile these statements with the promise that the war is nearing its end.

For my part I must conclude that so long as U.S. armed

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forces remain on the mainland of South Vietnam, that so long as we retain a residual force there, if only to provide logistical support for the South Vietnamese Army (ARVN), our men will be mortared, shelled or otherwise attacked; and that so long as they are attacked they will counterattack with fire and movement, and the war will drag on, not end.

If this be true—and I perceive nothing in the record of North Vietnam and Vietcong announced intentions and proven determination to refute it—then we should, I think, review again the whole record of our involvement.

With no thought of faultfinding or of seeking scapegoats, and uninfluenced by partisan political motives or special interests, we should seek answers to such questions as: What were the basic purposes behind our major policy decisions? What did we seek to accomplish? Were these purposes and objectives clearly in our vital interests? What have we actually accomplished to date? What can we expect to accomplish? What courses of action will best serve our interests?

In the course of this reëxamination we may perhaps conclude that the decisions were justified, that our vital interests were at stake and were best served under the debatable thesis of the "domino theory," which continues to be of doubtful worth and which many persons have never accepted as a validating justification for our policy decisions. Some day history may throw light on these issues, but it is unlikely that it will ever be able to demonstrate conclusively that our decisions were either right or wrong.

So it serves no useful purpose to label all those decisions as mistakes, however loud the voices of those who do so. Right or wrong, the decisions were made in good faith in accordance with our constitutional procedures by civilian authority. They were long supported by a clear majority of our people, and the responsibility for them is national. Now the cold inescapable fact is that the decisions having been made, we must live with the results and choose such courses of action as will best serve our interests in the years ahead.

Emerson, once criticized for inconsistency, is said to have asked: "Must I always drag the dead body of consistency after me?" Must we? Can we not manfully bury this dead body of Vietnam and decide now that we will not permit it to continue any longer to poison the air, as it is doing; to delay rectification

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of acknowledged domestic conditions which cry for action, as it is doing; and to adjust to major changes in the world situation, when much graver potential dangers elsewhere loom ominously on the horizons of the free world?

To review the steps leading to our involvement, let us start at the beginning, sometime prior to V-E Day and with World War II still in progress.

II

President Roosevelt had made known his position with respect to the future of Indochina: France must not be permitted to reëstablish her former colonial power there. In his view China would eventually extend some degree of control over the area, as it had done for prolonged periods in the past.

Then, following Roosevelt's death, policy-makers in Washington either lost sight of that decision, or regarded it as no longer valid. France's support was deemed necessary in other regions of major concern to us, and gradually, beginning with financial assistance, we moved to a role of supporting French efforts to restore their prior position in the Indochina peninsula. It is here necessary only to adumbrate the successive steps taken along the torturous path we chose. All are matters of historical record, amply publicized.

These successive steps were, in general: the forging of a network of mutual security treaties, including the South-East Asia Treaty Organization (SEATO), aimed primarily at containing communism, including communist Chinese territorial expansion; President Eisenhower's refusal to yield to the powerful urging of others to intervene with U.S. armed force, accompanied by his offer to President Diem after the Geneva Conference of 1954 "to assist the Government of Vietnam in developing and maintaining a strong, viable state;" Eisenhower's refusal to agree to general elections in Vietnam in 1956 as promised by the signatories to the Geneva Convention; our gradual takeover from the French of the military assistance program in training South Vietnamese forces until the number of our military advisers in President Kennedy's Administration exceeded 16,000; the 1964 incident of the two U.S. destroyers *Turner Joy* and *Maddox,* followed by the Congressional blank check, drawn in favor of the Executive, to take whatever measures it saw fit; and, finally, the introduction of U.S. combat

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ground forces and their subsequent reinforcement, until by 1968–69 their total exceeded half a million.

Parenthetically, it should be here noted by those who fault our military leaders for getting us into Vietnam and for their inability either to achieve a military solution or to extricate us, that each and every one of these policy decisions was made, *not* by the military, but by duly elected or lawfully appointed civilian authorities. In the single case ten years earlier where we might have become embroiled with airpower (including the use of the A-bomb to raise the seige of Dien Bien Phu) and ground combat units, had the personal urging of the influential views of the Chairman of the Joint Chiefs of Staff at that time been approved, it was civilian authority in the person of President Eisenhower which, to his everlasting credit, aborted that proposed intervention.

Those were the major policy decisions. Their authors and the dates when they were made are well known and need no repetition; but we do need, I think, to review the reasoning announced at or shortly after each decision was taken.

Numerous definitions of our objectives issuing from authoritative sources and from individuals both in and out of government included: to contain communism; to halt aggression; to prove to communist leaders that aggression cannot be made to pay; to support "the right of a people to choose their own government;" to help the South Vietnamese realize their desire "to live in the way they prefer;" to assist a helpless people "to advance toward economic prosperity and social advancement." I used these phrases as long ago as 1966 in an article in *Look*.

When these wore thin, as they did, we turned to broader generalities: our vital interests were at stake—just what interests and how was not spelled out. We were a Pacific power, which no one in his right senses would deny. We were a world power, an obvious truth even to children. And our national security was threatened, which strained the credulity of the most naïve believer.

These stated objectives were theoretically noble, realistically disingenuous and pragmatically fallacious. Had we really believed in the principles which this rhetoric proclaimed, would we not have taken up arms for the Hungarian people in 1956? And for the Czechoslovaks in 1968? And if our national security was indeed threatened and a vital interest was at stake, would

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not our people have wholeheartedly supported this war as they did when the designs of Imperial Germany became clear in 1917, and as they did even more resoundingly when Hitler, Mussolini and the Japanese militarists made their bid for world conquest?

III

Now, a decade later, these objectives have been condensed. Our government states that we have but two objectives: to secure the release of our prisoners in hostile hands, and to provide the government of South Vietnam "a reasonable chance to survive" without our continued armed support.

Still we cling, apparently, to the concept that our will can be imposed on our opponents by force, or the threat of the use of force. But we have concluded, it would seem, that Western, and particularly American inborn impatience is no match for Oriental patience; we do not intend "to stay the course," as we so often bragged we would; we are not going "to bring home the coonskin and nail it on the wall;" and we will not continue combat operations in Indochina "however long that may take."

When President Johnson faced up to his crisis of conscience in March 1968, he decided to assemble a group of men, only one of whom was then active in government and whose collective experience covered the whole spectrum of our foreign entanglements of recent years. With the Secretary of State presiding, the group was extensively briefed on the existing situation, based on the best available evaluated intelligence on enemy capabilities and intentions and on the forecasts of our intended operations and their anticipated results. Each individual was invited to express his views. Each did so with utmost frankness.

The substance of most of those views is a matter of record, though I think my own, presented first in writing and then read aloud before the entire group, have not been published. At the final session, with the President present, one of the group, acting as rapporteur, briefed the President orally on the substance of the view of each of the others.

I now present my views, precisely as then stated, not to claim any slightest personal credit or to shrink from criticism. Perhaps, as the history of this unfortunate involvement is finally unfolded, these views will prove to have been faulty, as have the views of so many others. But whether faulty or not, the present course we

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have followed for the past two years coincides very closely with those views. For that reason the statement of them here may make some little incremental contribution to a better understanding of the present situation as it is slowly evolving.

The following was the memorandum prepared in my hotel room following the briefings we received on the evening of March 25, 1968. I read it aloud toward the conclusion of the rather lengthy meeting of the entire group the forenoon of the following day, March 26:

RANDOM THOUGHTS ON VIETNAM

March 26, 1968

1) The prime objective we seek, is, I assume, the development of a viable, friendly government in South Vietnam capable of maintaining its political independence on its own.

2) The *sine qua non* for that is a defense establishment capable of defending that political independence.

3) The essentials for creating such a defense establishment are leadership, weapons, and training, and in that order of importance, for without leadership from the top down the other two factors will be nullified.

4) It seems to be the view of our political and military leaders on the ground in Vietnam, and to some extent here in Washington, that Vietnamese leadership can be developed. If so, the supply of weapons and attainment of adequate training levels within a reasonably short time would present no insuperable problems for us.

5) Given the leadership and determination at top South Vietnamese Government levels, then within a *maximum* of two years we could supply the weapons and insure the training.

6) The foregoing might require some modest augmentation of U.S. ground forces to man the training establishment which we would have to organize and supervise.

7) Beyond that, I would be opposed to further U.S. troop increases.

8) Perhaps the serving of notice on the South Vietnamese Government that we will give it a maximum of two years to accomplish this, at the end of which time we begin a phasedown of our forces, would serve as an adequate stimulus.

M. B. Ridgway

IV

I wish now to comment on the foregoing, in the light of subsequent developments.

First, until some time subsequent to President Johnson's historic announcement of March 31, 1968—and just when the change occurred I do not know—U.S. forces continued to bear

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an overwhelming share of the burden of combat, and no major effort was undertaken to equip and train ARVN units for eventual takeover of responsibility.

In Korea such an effort was undertaken at the earliest date that the level of combat permitted us to withdraw Korean Army (ROK) divisions from the forward zone and put them through a rigorous training cycle under expert U.S. instructors, from the squad to the division level. The training program then set up under General Van Fleet's direct supervision was of the same high caliber as we had long employed with our own troops at home, and the benefits were quickly and strikingly demonstrated in battle. From then on the ROK Army steadily improved and today it is of high professional competence—an army of which its people should be and are proud, as we who trained it are.

A further reason for the success in Korea, when I had both the U.S. Eighth Army and the ROK Army under my command authority, was that I was fortunate in having a strong-willed, courageous and determined foe of communism in the President, Syngman Rhee. Working always with our splendid, forceful and courageous Ambassador, John Muccio, I obtained Rhee's full support in every measure affecting his army leaders and the civilian populace which I found it necessary to request during those dark days of December 1950 and the succeeding three months when the changeover from a dispirited shaken force to a superb, confident, offensive-minded, well-trained combined force of Eighth Army and ROK Army was being made.

Second, the leadership I had in mind when I wrote the above memorandum had to begin with the South Vietnamese President. Only if there was a sufficiently strong and determined man in that office, could there be any hope, in my view, of indoctrinating his top army and air force commanders and holding their support behind the government, and of securing the political support of the various sects and groupings whose activities and ambitions had long militated against strong centralized authority.

Third, what then—March 1968—constituted "a reasonably short time" (the phrase used in paragraph 4 above) within which the ARVN could attain adequate training levels, could be no more than an estimate. In fact, in amplifying my comments before the group at that time, I remarked that there was nothing precise or sacrosanct about the "two years" which I had

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suggested as probably being sufficient. If three or four years proved necessary, I said, that could be accepted, provided progress appeared adequate and determination remained unshaken, as judged primarily by our thoroughly competent professional military leaders on the ground.

Fourth and finally, whether the wise course at that time was to inform the government of South Vietnam of our plan, if such a plan were adopted, and if adopted to convey this information to the South Vietnam government publicly, or to the Head of State privately, were decisions for our civilian authorities, not for our military leaders.

Now, in May 1971, only three years later, we appear to be far along toward the attainment of just such an objective as that plan contemplated, with one disquieting exception. The disquieting factor to me is the openly expressed threat of the use of force in an attempt to compel release of captive U.S. personnel. The recovery of these men demands and deserves, of course, unceasing effort on the part of our government. We owe them and their families and kin no less, and no less can serve the nation's honor. But whether stepped-up bombing of North Vietnam targets, including population centers, will accomplish that result is open to serious question.

There is further uncertainty in our present course which gravely concerns many of our people. How can we reconcile retention of a "residual force," of which the Secretary of Defense speaks, with "complete withdrawal" to which the President is publicly committed? And does "complete withdrawal" mean exactly that—the removal of all ground, naval and air forces? There are solid reasons, I believe, for not announcing a date by which withdrawal will be complete, if indeed a date has been fixed. There is an immense amount of equipment and supplies in South Vietnam, and we should draw down as much as we can to restore our inventories at home with consequent substantial dollar savings. There is also the possibility that secret diplomatic moves may now as I write, early in May, be in an advanced stage. If so, any publicity at this time might wreck any hopes there may be of a successful outcome.

The prisoner question is a torturing one, which should be examined from every angle, as I have no doubt is being done constantly. It is at least conceivable that an offer to Hanoi, made under the tightest possible cloak of secrecy, that we would agree

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to the complete withdrawal from the mainland of all U.S. armed forces personnel by a stated date, in return for the release unharmed of every captive American now held, would be accepted. This need not cause any change in the current level and character of our operations while awaiting a response. Even if accepted, it could well be that communist duplicity would seek to blackmail us into other concessions by withholding some or all captives until their demands were met; but we know enough of communist negotiating practices and should be able to enlist sufficient support from other governments to circumvent such tactics.

If this obstacle can be surmounted, then the complete withdrawal promised, the removal of every U.S. uniform from the mainland of Vietnam, except Embassy guards, will indeed be in sight, and our government will have extricated us on acceptable terms, as it is certainly aiming to do.

V

Let me conclude by trying to point out some lessons which to me stand out in the series of faulty judgments by our federal authorities for which they, as well as we who put them in office, are responsible.

In the field of foreign relations, each and every one of our major political objectives should be seen to lie clearly within the zone of our vital national interests.

In each case the military objectives should be in conformity with and subordinate to the political objective.

Vietnam was, in my opinion, a case which violated both these prescriptions. The stated political objectives were numerous, tenuous and by no means clearly within the zone of our vital interests, while the military objectives were not subordinate to the political but at one stage, at least, rather tended to dictate the political objectives.

It should not have taken great vision to perceive that a mountainous, jungled area such as Vietnam, devoid of the territorial and electrical communications essential for the operations of a modern army, and with a population bitterly divided and in large part existing under near-primitive conditions, would be a morass into which we could endlessly and futilely pour our human and material resources; that you cannot kill an idea with bullet and bomb; that no truly vital U.S. interest was present to

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threaten our national security; and that commitment to a major effort there was a monumental blunder (now hopefully in process of correction), when in other areas of the world challenges to our unquestioned vital interests could quickly develop.

As far as hindsight can reveal, I doubt that those in authority in our government who took us into Vietnam perceived where we would end up once we decided to commit armed forces. It should be clear now that neither partisan political influences nor chauvinistic clamor, to which segments of our society not infrequently give voice, should be allowed to sway those responsible for major decisions in the field of foreign policy, above all for those decisions which involve resort to the use of armed force.

For the present, I believe we should accept the judgment of those civilian authorities possessed of the fullest information, as reflected in the President's current decisions. The two prime elements in those decisions are the timing to complete our withdrawal, and insistence on continued efforts to recover our prisoners. Both are questions of judgment.

I use the phrase "for the present." I intend it to mean for a very limited time, say no more than another six to nine months. By that time the ARVN will have had ample time to attain adequate training levels, if it is ever going to do so, and we will have had time to supply all necessary equipment.

At the end of that time, *regardless of developments,* but sooner if visible progress has been made toward meeting both of the conditions stated by the President, I believe we should proceed with our phasedown forthwith and carry it through expeditiously to completion—that is, until *all* U.S. Army, Navy, Marine Corps and Air Force personnel, except Embassy guards, are out of Vietnam, continuing by every reasonable means to bring about the release of captive personnel in hostile hands until that goal has been attained.

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THE ECLIPSE OF THE STATE DEPARTMENT

By Dean Acheson

FOR over a decade it has been received as accepted truth in the highly charged political atmosphere of Washington that the role, power and prestige of the Secretary and Department of State in the conduct of foreign affairs have steadily declined. Accompanying this decline, and accused of causing it, is said to have been an increasing part played by the President himself in this alluring, fashionable and important activity, accentuated, perhaps, by the appearance in the White House of a court favorite—a modern Leicester, Essex or Buckingham—served by over a hundred attendants and constantly advising the monarch on these matters in the antechamber. *The New York Times,* in a series of articles published in January 1971, dates these developments from FDR's time, though adding that the trend was arrested "during the Truman and Eisenhower years [until] the death of John Foster Dulles in 1959."

Opinions have differed widely whether the eclipse noted is total or partial, radical and sinister, or within constitutional limits and historical precedents in relations between presidents and the first state secretary and department created by the first Congress. A great deal of the resulting debate has been based on wholly erroneous ideas of the nature and source of the national power to conduct foreign affairs, so we might do well to get this straight before going further.

II

The Supreme Court has left no doubt that the federal power over external affairs—unlike the power over internal affairs—is not the creature of the Constitution. The Union, it has pointed out, existed before the Constitution, and, with independence from Britain, the power to act "in the vast external realm" passed from the British Crown to the corporate unity, the United States of America. The Constitution strictly limited participation in the exercise of this power. "The President alone has the power to speak or listen as a representative of the nation. He *makes* treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and

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Congress itself is powerless to invade it." The Court quotes the Senate Committee on Foreign Relations as reporting to the Senate on March 7, 1800: "'. . . the President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee consider this responsibility the surest pledge for the faithful discharge of his duty. They think the interference of the Senate in the direction of foreign negotiations calculated to diminish that responsibility and thereby to impair the best security for the national safety.'"[1] (What a committee that was!)

The Court notes also, "that the first President refused to accede to a request to lay before the House of Representatives the instructions, correspondence, and documents relating to the negotiation of the Jay Treaty—a refusal the wisdom of which was recognized by the House itself and has never been doubted." I, myself, declined to furnish Senate committees investigating the relief of General MacArthur the names of department personnel participating in the preparation of a certain paper, made public by the General's office, as not compatible with the public interest. I did, however, appear myself and give such information as seemed pertinent to the committees' investigation.

Of course, in the daily conduct of business sensible people, whether in government, professional life or business, do not insist upon a drily logical and extreme respect for the letter of their rights. Sometimes turning square corners is essential even though it produces irritation. In other situations, coöperation in a short-cut is in the public interest. When the bipartisan foreign policy flourished, I advised with the chairman and senior minority member of the Senate Foreign Relations Committee—sensible men both—on the drafting of treaties and not only received many good ideas but in the course of it strongly predisposed the committee and the Senate to consent to the ratification of the treaties. Similar coöperation made possible much legislation to which Congress would not now agree. However, the executive did not in the interest of "good relations" appease the Congress by permitting encroachments upon the President's prerogative to control exclusively the nation's foreign relations.

[1] *United States v. Curtiss-Wright Corp.*, 299 U.S. 304, 315, *et seq.*

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The first Congress created the office of Secretary of Foreign Affairs and the Department of Foreign Affairs to assist the President in performing his responsibilities. But it did not and could not delegate any of these or require him to accept assistance that he did not want or forgo any that he desired. The privileged position of the President and his advisers on foreign affairs is carried over into the field of manners, even though these are not what they were a century and three-quarters ago. "In the case of every department except the Department of State, the resolution [seeking information] *directs* the official to furnish the information. In the case of the State Department, dealing with foreign affairs, the President is *requested* to furnish the information 'if not incompatible with the public interest.' A statement that to furnish the information is not compatible with the public interest rarely, if ever, is questioned."[2]

A good deal more than a century ago, Alexis de Tocqueville observed that due to Americans' preoccupation with their written Constitution and the interpretation of it, every political question here sooner or later turned into a legal question. Neither the Constitution nor the law binds the President to monogamous cohabitation with the Secretary and Department of State in the conduct of foreign affairs. That relationship can have many advantages; it has often proved very inadequate and disappointing. We shall, I believe, find more revealing enlightenment about the current causes and consequences of its decline if we turn to the historical experience of another world power as well as to that of our own government.

III

A move away from the local scene and local personalities may give us a more detached view. Sir William Hayter, former British Ambassador in Moscow, provides a start in his book, "Russia and the World."[3] In Moscow, as in Washington, the foreign office occupies a large building housing the usual panoply for conducting foreign relations. But decisions are not made there or by that staff. They are made in the Politburo, the supreme executive authority of the Communist Party, which controls all agencies of the Soviet state. The Foreign Minister, Mr. Gromyko, is not a member of the Politburo. Its head is Mr.

[2] *United States* v. *Curtiss-Wright Corp., supra,* p. 321.

[3] Sir William Hayter, "Russia and the World: A Study in Soviet Foreign Policy." New York: Taplinger, 1970.

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Brezhnev, General Secretary of the Party, aided—if he needs aid—by Mr. Kosygin, Chairman of the Council of Ministers.

The Politburo staff parallels the organization of the foreign office (and other government departments as well). Mr. Gromyko is also supervised by the KGB, an even more jurisdictionally powerful counterpart of Mr. J. Edgar Hoover's FBI, and his finances are controlled by an even more restraining hand than that of Congressman John Rooney of Brooklyn.

With the Russians, the multiplicity of supervision is carried into the field also, which explains why their embassy staffs are so large and the hierarchy in them so mysterious. More often than not the ambassador has little or no control over most of his staff and often knows little of what is going on or what decisions are being made. With us the situation in the field is better than it was during World War II, as anyone knows who lived in Old State through that anguishing period. Poor Mr. Hull's life was one long battle with the bureaucracies of other agencies—the military, Lend Lease, Economic Warfare, Treasury, War Shipping, Relief, Agriculture and so on. He won all the linguistics of decisions and lost all the substance. What little order came out of it all was produced by Harry Hopkins at the White House, regarded by Mr. Hull as his mortal enemy. We envied the British Foreign Office what seemed to be their effortless superiority.

When the Bolsheviks took over in Russia at the end of 1917 and began to sort things out, they had to create a system of party and state from their necessities. Few, if any, of the faithful knew much about the methods of foreign relations, or the possibilities, though more of the dangers, to be expected from the bourgeois states. What lay at hand was the wreck of the Tsarist diplomatic system. Full of suspicion, and from their training expecting to use and meet a diplomacy of deceit, they began the work of devising party apparatus to direct, to watch and to police the work of a distrusted state organization. The resulting machine was clumsy, inefficient and as fantastic as a Rube Goldberg cartoon; but after a fashion it worked.

IV

At about the same time Lenin was having trouble with his foreign office—or, perhaps, a bit earlier—President Wilson was having trouble with his. For nearly 70 years after Secretary

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Seward's time the Department did not have much to do. The correspondence between President Benjamin Harrison and Secretary James G. Blaine (published by the American Philosophical Society) bears fascinating witness to that. Although they wrote one another nearly every day, their most important task was to draft and negotiate the Bering Sea Treaty protecting seals. At length Secretary Blaine, believing that during his illness the President had learned to get along without him, resigned in a huff. Not long afterward, on April 24, 1898, after the USS *Maine* had been blown up in Havana harbor and war declared against Spain, Secretary of the Navy Long and President McKinley telegraphed to Commodore George Dewey at Hong Kong directing him to proceed to the Philippines and capture or destroy the Spanish fleet. Neither of them thought it important to inform, much less consult, Secretary of State, later Mr. Justice, William R. Day. Thus began three-quarters of a century of American involvement in the western Pacific.

Perhaps the clearest evidence of the fragility of the Secretary of State's position occurred at the turn of the century, as the infancy of American foreign policy was ending. When Theodore Roosevelt succeeded William McKinley in the White House, the Secretary of State, John Hay, commanded immense prestige without, however, much real basis for it. (Fifty years or so ago I asked Justice Holmes what he thought of John Hay. He replied that Hay's chief importance to him was to give a line on Henry Adams.) Secretary Hay soon reported that, while President McKinley would often see him on business only once a month, President Roosevelt would send for him every day. He soon discovered that a vigorous new force had taken over direction of American foreign affairs. During the Venezuelan crisis the President threatened the German Ambassador with the use of American sea power to block German occupation of Venezuelan territory. Not long afterward a by-no-means fortuitous revolution in Colombia created out of that country Panama and out of the latter the Canal Zone. No doubt remained that the conduct of affairs had passed from the hands of Secretary Hay, "the statesman of the Golden Rule," to President Roosevelt, who carried a big stick and did not always speak softly.

The formal "coming out" of the United States into international society did not take place until the unsuspected eruption of the First World War upon a basically nineteenth-century

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world and a wholly unprepared administration. The President had appointed as his Secretary of State the three-time loser for the presidency who had swung the Baltimore convention from Champ Clark to Professor and Governor Woodrow Wilson of New Jersey. The only contribution of Secretary Bryan to the subject matter of his new post was the negotiation of 31 treaties for the impartial arbitration of international disputes, very few of which were ever invoked. His principal contribution to the President's program was in the domestic field, helping importantly in getting through Congress the President's antimonopoly legislation, known as the New Freedom.

With the outbreak of war in Europe, trouble soon followed in Washington between the President and his Secretary of State. Mr. Bryan reluctantly signed the President's first note to Germany protesting against the sinking of the *Lusitania;* but he balked at the second and tougher one and resigned his office. The President appointed to succeed him Robert Lansing of Watertown, New York, who had been serving for the preceding year as Counselor of the Department of State, after prior experience as counsel for the United States before various international tribunals. It soon became apparent that Mr. Wilson, having discovered and taken over the management of foreign affairs, was not prepared to release a scintilla of his authority. He was content to rely upon his own typewriter and the reports of his unofficial ambassador-at-large and collaborator, Colonel Edward M. House of Texas. Nothing escaped him. He could even write to Mr. Herbert Hoover calling attention to the words, "our allies," appearing on posters of the Food Administration. "I would be very much obliged if you would issue instructions that 'Our Associates in the War' is to be substituted . . . because we have no allies. . . ."

When the time came to form the American delegation to the peace conference in Paris, Secretary Lansing advised the President not to go. Colonel House first gave contrary advice but changed it after consultations with Americans, French and British in Paris. The President resisted these counsels, which "upset every plan we had made." "I infer," he cabled Colonel House, "that the French and British leaders desire to exclude me from the conference for fear I might there lead the weaker nations against them." He decided to go and went. The outcome was a tripartite organization—the President with his secretaries,

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his wife, and his physician, Dr. Grayson; the delegation, all capable men but without influence with the Senate, which would have to ratify the treaty, and the delegation's staff; and Colonel House with a large and generally able group, known as "The Inquiry," but again without helpful political influence. As the weeks wore on, rivalry between the groups became hostility, increasing the burden upon a tired and harassed President. The result was organized confusion on a high intellectual level. In the sad years that followed the President's stroke, the defeat in the Senate of the treaty and the Covenant of the League of Nations, and the collapse of all his hopes, President Wilson broke with Colonel House, discharged Secretary Lansing and left the State Department a shambles.

In the interwar years the management of our foreign policy was, for the most part, not divided; neither was it successful. Secretary Hughes, whose great abilities were not so clear in the State Department as they were later on the Supreme Court, is remembered chiefly for the Limitation of Arms and Pacific Treaties, the work of the Washington Conference of 1921. He failed utterly in efforts to save something in the Senate from the wreck of Versailles; and rejected all efforts of M. Chicherin to open some sort of relations, economic or political, with the Soviet Union, thus beginning the long boycott of that power. The Washington treaties limited naval construction, demilitarized certain islands in the Pacific (principally American-held) and relied on admirable principles intended to restore and maintain the political and territorial integrity of China. Their results, enhanced by American failure to build up to the naval limitations of the treaties and by Japanese failure to respect the provisions regarding China, made Japan the predominant power in the western Pacific.

This loss of real power was met by Mr. Hughes's successor with a moral equivalent. There was already an established movement in this country, led by respectable people, for the outlawry of war, a sort of exorcising of evil spirits by moral incantation. The Foreign Minister of France, M. Aristide Briand, proposed to Secretary Frank Kellogg a treaty to this effect. The consciences of Americans had long suffered from the rejection of the Covenant of the League and the fatal repudiation of President Wilson. The outlawry of war seemed to offer "a full, perfect and sufficient sacrifice, oblation, and satisfaction for the sins" of the

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irreconcilables and isolationists. It was also simple and painless. In Article I the parties "solemnly" condemned war as the solution of international controversies and renounced it as an instrument of national policy. In Article II they agreed that solution of disputes should "never be sought except by peaceful means." That was all, a covenant without means of enforcement. On July 24, 1929, with the adherence of 45 nations the treaty was formally proclaimed in effect.

The effect, however, was negligible. Within two years the Japanese had invaded Manchuria; the Italians not long thereafter, Ethiopia; and the Germans and Italians, Spain. But none of these means of national policy had been called war. At the end of a decade the treaty had passed into such total oblivion that the fig leaf of verbiage was discarded and the nations moved brazenly into World War II.

A free hand for the Secretary of State had not brought much improvement in resulting policy.

When President Roosevelt took office on March 4, 1933, he found as part of his inheritance a foreign office that he distrusted, if not as much as the Bolsheviks had distrusted theirs, at least rather more than he distrusted the rest of the governmental establishment. To use a phrase of his own, it was deep "in the horse and buggy age." Secretary Hull was no man to pull it out. His bitterness grew with his estrangement from the President until he found himself, in his own words, "relied upon in public and ignored in private." This was not lessened when the only interest the President took in foreign affairs during his first two terms was in the good neighbors of Latin America. There he looked for help not to Mr. Hull but to his subordinate, Sumner Welles, the President's protégé and former ward.

After nearly two terms in office, world war burst upon a President unprepared intellectually and militarily. He and his Secretary of State responded, at first, with conceptions and phrases gleaned from General Washington's Farewell Address, President Wilson's Fourteen Points, and the program of the congressional interwar isolationists. These included noninvolvement in European quarrels, quarantining dictators, preserving the peace (but by means short of war)—a jumble of confused clichés suggestive of our current response to troubles in the eastern Mediterranean, so much a product of our own creation. President Roosevelt's later course from bewildered observer to active bel-

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ligerent owed far less to his own design than to the folly of our enemies. Surely the suicidal Japanese attack on Pearl Harbor, rather than, for instance, subversion in the Dutch East Indies, was one of the supreme errors of history. The German declaration of war against the United States, after four days of deliberation, long enough to have enabled Hitler to have seen the advantages to him in abandoning his ally, ranks as a fitting companion piece.

The later formulation and conduct of war policy, controlled directly by the President with little assistance from the State Department, owed much to Harry Hopkins, who moved into the White House to be constantly at the side of his chief. In him and his work we can see the embryo of the Presidential Assistant for National Security Affairs of today. Ill and not tireless but fanatically devoted and diligent, he labored far beyond the limits of his strength until the effort killed him. The country owes him a vast debt of gratitude never adequately acknowledged.

In spite of Harry Hopkins' preëminence in the White House, he in no way interfered with or hampered the work in the State Department on the charter and the treaty of the United Nations. However one may appraise this accomplishment—and my own evaluation is not favorable—it was entirely due to Mr. Hull's long preparatory work with the Senate, the advice of his assistant, Leo Pasvolsky, and the management of the Dumbarton Oaks initial conferences and the final one at San Francisco, by Under Secretary, later Secretary, Edward R. Stettinius.

V

The postwar State Department was created in President Truman's first term by General Marshall, whose military experience was of great help in getting rid of the horse and buggy and designing a functional chassis for fast-moving and heavy loads. Lines of command were clarified and the Under Secretary made chief of staff; line duties separated from staff duties; supervision was made effective through the Central Secretariat; planning—looking around, ahead and behind—confided to a competent staff; research and intelligence centralized. Equally important, the beneficent passage of time and rules of retirement made possible the renovation of personnel from the great numbers of able people brought into government by the war and selected by men who knew what qualities they wanted and who had them.

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Furthermore, General Marshall had the President's complete confidence, kept him fully informed of what was brewing, and carried back directions to officers concerned. Confluence of ideas was constant. Decisions on courses of action and reaction blended professional and informed advice and political judgment sound enough to provide policy through the next administration and beyond.

Marshall policies survived, but the Marshall State Department did not. Senator Joseph McCarthy, abetted by men who should have known better, led a crew bent on its destruction; and Secretary Dulles offered no defense. The sack and massacre of the Department occurred, like Cromwell's at Drogheda and Wexford, after the assault had succeeded and, perhaps, for the same reason, to warn opponents against prolonging hopeless resistance. Many survivors were dismissed or sought more congenial employment. Friends have told me that, before accepting the post of Secretary, Dulles hesitated in favor of a room in the White House and the historical role of personal and private adviser to the President on foreign affairs. In the only conversation I had with him after he was designated as my successor, he said that he would save himself for policy decision and not spend the time I had done on personnel and organizational matters. I thought, but did not say, that he might find that these matters constituted much of the nine-tenths of the policy iceberg that lay below the surface.

By the time President Kennedy succeeded in 1961, successive purges in search of what Mr. Dulles called "positive loyalty" had left more form than substance in the Marshall organization and led the new President to doubt how positive its loyalty might be to him. Moreover, he had been indoctrinated—so it was said—by that gay savant, Richard Neustadt—now of the Kennedy School of Government at Harvard—in the belief that no professional departmental staff could be trusted to be as concerned as would be a personal White House one with the political effects upon the President of foreign policy (as well as other) decisions. Thus, once more, two factors—distrust of an existing organization and desire for a more personally controlled instrument—combined in Washington, as they had in Moscow, to create an inner and private politburo to control and supervise a foreign office, whose new head the President hardly knew at all.

President Kennedy, however, went further and made his

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brother Attorney General. When he told me of this intention in the December before his inauguration, I advised against it on the obvious ground of his opening himself to charges of nepotism. He replied sadly that, while he knew many people who could and did help him to become President, he knew few who could help him act as President. He felt the need of a trusted intimate near him with whom he could talk without reserve. It very soon developed that the attraction of foreign affairs to anyone with easy access to the President proved irresistible to the Attorney General. He readily became another member of the controlling politburo.

VI

The new organization, with staffs of size and competence, has now survived a decade of political life and constant criticism. At its head Messrs. McGeorge Bundy, Walt Rostow and Henry Kissinger, all men of outstanding ability, have served successively to the announced satisfaction of their presidential chiefs. What emotions they stirred in the breasts of their colleagues at the State Department we must wait on future memoirs to learn. Meanwhile, we can imagine that there has been strain.

Debate is warming up over the issues whether the present system has come to stay and whether it is, on the whole, beneficial or harmful to the conduct of our foreign relations. Many participating in this debate have special interests, such as maintaining a position in the process or prying a way into it; many base their arguments on erroneous law or history; many are moved by sentimental attachments, many by personalities. It is possible, however, that a few conclusions may be pulled out of this devil's cauldron of debate.

Have present practices come to stay? Ten years of life and the endorsement of three presidents to whom is confided the conduct of foreign relations would seem to warrant long odds on continued life-expectancy. To be sure, the resultant dual organization for dealing with foreign nations is made to look something of a monster and a clumsy one. But, as Justice Brandeis said of the separation of powers, it was not designed to promote efficiency; and the organization of the Pentagon, for instance, suggests the work of a madman with a sense of humor, a knowledge of history and a lively civilian fear of a too efficient military organization, like the old German General Staff. Moreover, the

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present arrangement, to some extent, has been in effect for most of the time in this century when the United States has had a foreign policy worthy of the name. We are apt to consider normal practice what we have been used to. It should not take much reflection to convince one that both President Truman's attitude toward the conduct of foreign affairs and his relationship with two of his secretaries of state were by no means usual or to be expected as a matter of course. Surely it will be seldom that a president will find in the same man all the help he will want in deciding what to do regarding the external realm and in doing it. The point is that it will not be impossible, but that it will be often very difficult and incompatible with the temperament of presidents like the last three.

He will want knowledge of diplomatic method and diplomatic history, greater familiarity with affairs around the world than membership in the Council on Foreign Relations will provide, public prestige (or acceptance) and negotiating capacity, the ability to use and direct a large government organization, not at all the same thing as heading a large manufacturing company, as Secretary of Defense Wilson (Engine Charlie) had already demonstrated. As one goes on adding desired capacities and experience, one must realize how seldom an adviser at the elbow and a minister of foreign affairs can be fitted into one human body. A clinching difficulty lies in the need that the assistant in the antechamber stay there—Secretary Byrnes records that one half his time in office was spent away from Washington. Much time has been wasted drawing organization charts to fit both functions into the Department of State. A presidential instinct to put the function where he needs and wants it seems more sound than forcing it into a procrustean organization chart.

Some participants in the debate appear to believe that the present arrangement must lead to a death struggle between the Secretary of State and the adviser in the White House. How can the former speak effectively to representatives of foreign powers, it is asked, when there is a rival in the White House? There is always a figure in the White House more important than the Secretary of State—the President—and often he does his own talking, sometimes to the embarrassment of a lot of people. A special adviser is most unwise to do any talking. A Secretary of State can always speak effectively if he speaks for the President, knows what he is talking about, and is telling the truth. Mr.

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Gromyko, despite defects in his power, is listened to when he meets these requirements, which he did not do when he talked with President Kennedy at the time of the Cuban missile crisis.

Another fear is that a presidential adviser in the White House will usurp the functions of the Secretary and the Department, leaving for them only formal and administrative duties. This bugaboo is constructed out of ignorance. No matter how ambitious an empire builder he may be, an adviser in the antechamber is restricted by limitations of time and staff to participation in formulation of policy—and few policies at that—to helping with speeches and messages expounding them, and to scrutinizing their execution. For the rest, both formulation and execution remain, and must remain, in the departments. What has been occurring has not been that the White House advisers have edged the foreign office out of functions being competently performed but that they have been needed to do what is not being done anywhere to the satisfaction of the man responsible, the President. Why, one may ask, is not the proper remedy to find a Secretary who will do or have done what is necessary? The answer unhappily is that such men are not easy to come by or bring in.

What has been happening over the years is the atrophy of the agencies in three departments especially charged with correlating intelligence of the most intricate variety with the planning of policy: in the State Department, the Policy Planning Staff; in the Defense Department, International Security Affairs; and comparable areas in the Central Intelligence Agency. It is widely remarked that even the excellent staff in the White House of two years ago, then the best in this field, has also been worn away through overwork and difficulty of replacement, leaving an unfilled gap. If it should disappear altogether, the State Department might lead a more relaxed existence, but the public interest would be less well served.

The foreign service officer by training and experience shies away from quantitative judgments and appraisals of economic and military power. Elsewhere I have quoted Professor Paul Y. Hammond: "at the extreme, the foreign service officer would . . . rely emphatically upon the personal skills and noncommunicable wisdom of the experienced career official and would view the requirements of large-scale organizations (such as the armed forces with their demands for forward planning) as a direct threat to the practice of this diplomatic art." To supple-

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ment the weakness of the career service General Marshall created the Policy Planning Staff. The subsequent loss of its original capacity weakened the Department. This is clear today in policies put forward for the Middle East, Africa and the United Nations, almost all emerging from the Department. Knowledge of political developments and people in the areas concerned and the guidance of generalities, maxims or convictions, usually moralistic in nature and strongly held at home, cannot substitute for a capacity in correlating forces when the need is for plotting courses through the complicated mine fields in these areas or in devising a strategy for nuclear negotiations with the Soviet Union. There is a place and work for many talents here.

The present eclipse of a position held by the State Department, though perhaps briefly, distresses me. I should have hated to have had to adjust myself to such a change. I far preferred the happier even though more turbulent circumstances under which I did serve. However, it is a mistake to believe that present arrangements are a disaster, or ill serve the public interest, or are due to presidential whimsy, or personal ambitions. If, however, whatever rare and valuable talents now available and used should be lost because "ignorant armies clash by night," the public will, indeed, have been ill served.

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WHAT DOES SECURITY MEAN TODAY?

By Marshall D. Shulman

WE have been accustomed, during most of the past 25 years, to think of our security in terms of the containment of Soviet expansionism, relying largely upon a comfortable superiority in military power. A number of developments now call into question the adequacy of this conception and of our understanding of the nature of effective power in the modern world.

Among these developments have been changes in the military balance. Our strategic superiority over the Soviet Union was first constrained by the emergence of a condition of mutual deterrence, and more recently by the growth of Soviet strategic forces to a level of approximate parity. Coincidentally, there has been a substantial increase in Soviet conventional military capabilities with a global reach.

What effects this change in the military balance may be expected to have upon political developments is made more difficult to calculate by the evident paradox of our unprecedentedly large military power and our declining political influence in the world, a paradox which points up the limitations of arms as a source of effective power.

Since the end of World War II, events have pushed us toward a less Soviet-centric view of our security problems. Against a background of rapid and uncharted political changes in the world, the Soviet problem is perceived less in terms of expansion through the territorial control of contiguous areas than as a competition for political influence on a global basis. One effect of qualitative changes in weapons technology has been to make the strategic competition into a closed game, somewhat apart from the competition for political influence. Concurrently, the accelerated pace of technological change has altered the geography of politics, bringing distant areas within reach; it has given greater significance to forms of power based on new industrial technology; and it has resulted in profound upheavals in the domestic social orders of nations.

The persistent strength of nationalism as the most potent single force in international politics has fragmented the two-color maps of the world of a quarter-century ago; new nations

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and new political forces have with stubborn autonomy resisted the illusions of omnipotence of the two giant powers. Clearly, power in terms of capacity to exert one's will over other people is more variegated and limited than it appeared to be immediately following World War II.

The pace of change in the world has made it difficult to define the nature of the international system in which we find ourselves, and still more difficult to describe the kind of international order toward which we would like to move, in which we could improve our security and protect the values we hold important. Without such an effort, however, our actions lack direction.

The present climate of opinion, veering toward a withdrawal from international involvement and not yet prepared to sort out the lessons of the Vietnam experience, is not an auspicious one in which to reflect upon changes in the nature of power and the meaning of security. But if we are not to surrender to the drift of events, we must resist the vice of wide amplitudes of mood changes around stereotyped images to which democratic societies are prone. We need to rethink fundamental aspects of our foreign policy, bringing to bear more differentiated analyses of present problems and a sense of future direction.

II

In retrospect, it is now clear that the Soviet Union entered upon a new phase in its foreign policy in the mid-1960s. During the preceding decade, Khrushchev had moved out from the Soviet periphery to a first pass at Africa and southern Asia. Accepting the concepts of nuclear deterrence and "peaceful coexistence," he began the modernization of strategic capabilities while greatly reducing Soviet conventional forces. In the competition with America, he put his reliance upon the anticipated economic superiority of the Soviet Union and the myth of a "shift in the balance of power" based upon the symbolic impact of the first Sputnik.

But the shortcomings of the Soviet economy made hollow his boasts of outstripping the United States, and the net effect of his efforts to gain political advantage from Sputnik was to stimulate higher American defense budgets, with the result that the Soviet strategic inferiority was in fact further deepened. The Congo crisis of 1960, in which the Soviet Union was unable to reach and support its chosen allies; the Cuban missile crisis,

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and the American naval blockade which capped it; and the powerful arsenal of U.S. conventional weapons brought to bear upon Vietnam after 1964—these were among the painful lessons experienced by the Russians during this period.

The result was a determination by the Soviet leadership which followed Khrushchev to acquire more rapidly the sinews of actual rather than symbolic military power, at whatever cost to the economy. Within a few years, there began to appear the various attributes of a diversified military capability. Rates of deployment of nuclear missiles rose steeply, and for all practical purposes the strategic inferiority under which the Soviet Union had labored was overcome, although qualitative improvements on the American side meanwhile made parity a dynamic condition rather than a plateau. Soviet conventional forces were now restored and modernized to play a wider and more flexible role. During this period, accelerated support for the navy achieved the historical transformation of the Soviet Union from a continental to a maritime power, capable of deploying its fleet in all the world's oceans. Concurrent improvements in mobile forces, including the Soviet "naval infantry," in firepower and in air and sea logistic capabilities, have given the Soviet Union the means of reaching distant local conflicts—whether to check anticipated American interventions or to bring military pressure to bear upon politically unstable trouble spots remains to be seen.

Economic and military aid programs, highly focused on a limited number of countries (about 70 percent of the economic assistance goes to Afghanistan, India and the U.A.R., and the latter two are the main recipients of military assistance), continue to be of significant scale. In Eastern Europe there has been a reorganization of the Warsaw Pact forces to improve mobility and firepower, together with a continued effort to integrate the economies of the East European states, manifesting a primary Soviet concern with consolidating its control over that area.

That the central concept of this acquisition of power is to increase Soviet political influence on a global basis relative to that of the United States is underlined by the directions of an intensified and more sharply focused diplomatic effort since the mid-1960s. The most striking diplomatic moves have been the enlargement and greater flexibility of bilateral dealings with Western Europe, and with the Federal Republic of Germany in particular. The purpose is multiple—to encourage neutralist

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trends in Europe (which is to say, to reduce American influence in Europe); to gain juridical recognition for the German Democratic Republic and the Soviet position in Eastern Europe ("the acceptance of the realities of World War II settlements"); to inhibit West European integration and the dominance of the Federal Republic in that grouping; and to increase trade and technological borrowing from the Western industrialized states. The proposal for a European Security Conference has been a feature of this diplomatic campaign, directed alternately at containing the Federal Republic and at isolating the United States from Western Europe as circumstances have required.

The most specific objective of near-term Soviet diplomacy has been to achieve a decisive influence in the Arab Middle East, both for its oil and other resources and as a gateway to the Indian Ocean and Africa. As an adjunct to this, the Soviet naval presence in the Mediterranean serves to neutralize the U.S. presence there and to symbolize Soviet power and interest.

The level of diplomatic effort in Africa and Latin America suggests longer-term aspirations, depending upon local opportunities. In Asia the Soviets have a dual objective: to contain the expansion of Chinese influence and to replace the British and American presence which they anticipate will be withdrawn from the area. Pragmatically, the Soviet Union has eschewed revolutionary movements (except in Vietnam) and cultivated its relations with established governments in order to influence their orientation in world politics. While courting Japanese businessmen, for both economic and political reasons, the U.S.S.R. has hammered away at Japanese security agreements with America and the growth of Japanese defense capabilities. On the subcontinent, Russia has become the principal external influence. It is a major arms supplier to India, and has begun to develop military sales to Pakistan and Ceylon. It has been negotiating shipping and air access to Singapore and has become the largest buyer of Malaysian rubber. It is becoming a naval presence in the Indian Ocean, growing by unobtrusive steps.

Paralleling the European Security Conference proposal, the Soviet Union has put forward a plan for a new collective security system in Asia, with itself as guarantor. So far, the proposal has not been enthusiastically received, although a few countries, notably Malaysia, have indicated interest in the plan as a hedge against the day when U.K. and U.S. withdrawal from

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the area might leave the way open to greater Chinese pressures.

It may be noted that these efforts are not inconsistent with long-term evolutionary trends toward traditional power politics and a diminished emphasis upon revolutionary transformations, at least in the near term. What have been added are a stronger military base and a global presence, orchestrated into a total effort to gain access and influence around the world. While the United States tends to think of its military, economic and diplomatic instrumentalities separately and to permit them a certain life of their own, the more fundamentally political outlook of the Soviet Union serves to harness them to specific political objectives. These different approaches may also to some extent reflect differences in governmental structure, with the more fully coordinated and centrally controlled Soviet apparatus better adapted to focus military, economic and diplomatic means toward political ends.

In the past, there has been a tendency to attribute a high degree of planning to Soviet policy, but more sophisticated and realistic recent studies suggest that Russian behavior in the world may be better understood as the resultant of three factors: a rather general long-term design, an interplay of bureaucratic pressures and interests, and a response to external opportunities. Although the design continues to be expressed in categorical ideological language, it reflects a general aspiration rather than a detailed prescription—perhaps with about the force of Avis' expressed determination to become "No. 1." The role of competing interests and bureaucracies in determining Soviet foreign policy is difficult to document, but there can be little doubt that it is an important factor, varying according to the particular issues involved, and that it has to be taken into account in understanding the mechanism by which Soviet behavior interacts with roughly similar mechanisms on the American side.

Finally, it is abundantly clear that a major factor in the emergence of a new phase of Soviet policy in the mid-1960s was a response to the perceived decline in U.S. prestige and influence around the world as a result of Vietnam. The first effects of the involvement of the United States in Vietnam in early 1965 were to raise apprehensions about U.S. bellicosity and its build-up of conventional capabilities. The second wave of effects stemmed from the indirect consequences of our involvement: the domestic disturbances, the tide of anti-militarism and anti-

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involvement in world affairs, the decline of confidence among our allies in the judgment of the American leadership. From Moscow, it became plausible to anticipate a reduction in the political influence of its major rival on every continent, and this anticipation encouraged a more active effort to increase Soviet political influence wherever opportunity presented itself.

For the most part, the effort to build the sinews of power was carried forward at moderate levels of tension, applying a lesson learned from the postwar period, i.e. that higher tensions simply mobilized and united the Western alliance. The détente policy has been on a country-by-country basis. It has proved most difficult to apply in the case of the United States, where the appeal for "normalization" of relations is undermined by the "anti-imperialist" campaign directed against the American presence around the world, and also by the insistence of the Soviet leaders on continuing the "ideological struggle" in harsh and uncompromising terms. Also, having smarted for so long under what they felt as the "arrogance" of American strategic superiority, the Soviet leadership is in a chesty mood, prepared to enjoy the advantages of a rising power position.

What are the prospects for the success of the Soviets in increasing their political influence in the world? One problem in answering is that the mixture of strengths and weaknesses in the Soviet position makes it difficult to characterize the fundamental power relationship between East and West. On the strategic military dimension, the condition called "parity" in fact reflects an asymmetrical balance, with some advantages on each side. The political effect of such a balance may depend largely upon subjective factors: the will and confidence of the respective leaderships, the mythology of power among the people. On conventional military capabilities outside Europe, the balance requires a region-by-region breakdown: compared to American, Soviet power is weaker but growing in the Mediterranean, stronger in the Indian Ocean and on the subcontinent, but relatively weaker in the Pacific and in Southeast Asia. The most serious Soviet deficiencies appear in the economic realm: institutional limitations, particularly in advanced technology. There are also serious economic limitations on the Western side: inflation, unemployment and growing competitive conflicts, but the strength of Western technological growth is increasingly recognized as a factor of effective power.

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In political power, the comparison is between relative weaknesses—what someone has characterized as "competitive decadence." The internal strains in Western societies are painfully evident. Over the long run, creative processes may be at work, but at present the West European nations, struggling with domestic upheavals, do not find in the American experience any inspiration or source of confidence. For its part, the Soviet Union faces the prospect of continuing turbulence in Eastern Europe, a running conflict with China and its fragmenting consequences in the international communist movement, systemic rigidities at home, and not much luster in the Soviet model to attract emulation from abroad. This brief balance sheet illustrates the difficulty of weighing the effectiveness of various forms of power, in terms of political influence.

A further difficulty arises in assessing the prospects of the Soviet drive from the demonstrated resistance of smaller states to the subjugation of their will to the great powers. The transformation of military or even economic power into political advantage and influence has proved more difficult than the Soviet leadership had hoped when it first began to reach toward the underdeveloped nations in 1955.

"All trees do not grow to the sky." It would be an error to assume that the Soviet Union will automatically translate power into ever-spreading access and influence; recent Soviet gains have owed more to Western ineptitude than to Soviet effectiveness.

III

To the extent that the Soviet Union does succeed in expanding its role in the world, how much should this be a source of concern to us? In the past, we have been prone to assume that every gain for the Soviet Union, or for "world communism," was a loss for us, if not a threat. But have we not reached a point where we need to redefine our conception of the nature of the international system, and of our vital interests within that system?

It is evident that Russia is entering upon a phase of national growth like that which many other great nations experienced in the nineteenth and early twentieth centuries, and is now pressing outward for a role commensurate with its status as one of the two superpowers in the world. But there are two levels of Soviet conduct: one represents an effort to bring about a change in

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power relations within the present international system in fairly traditional power-politics style; the other—if one takes seriously the residual ideological commitment of the Soviet Union—is to work toward a change in the nature of the international system itself, the rules and practices that govern international relations and the internal structure of societies. The former is an anachronism in a day when imperialism—in the sense of a dominion over other people—is increasingly difficult to maintain. The latter is of diminishing relevance in a world in which revolutionary change is everywhere in process, but for which the storehouse of Soviet Marxism has little to offer as a guide to the future.

In the international system as it is, and as it is becoming, change itself must be the fundamental starting point for any effort to codify relations among nations. No longer is it possible for nations to define their interests or seek their security in terms of hegemonial control over territory. The alternative to international anarchy requires the acceptance of two principles which grow out of the new physical and political conditions of international life: one is the right of free access, and the other is non-interference by force in processes of internal change.

The principle of free access reflects the fact that political control over territory is not necessary for economic access; it is not in fact a condition of successful and productive economic relations. This has been amply demonstrated by the decay of imperialism of the kind described by Lenin, and is being demonstrated today by the experience of the Soviet Union in Eastern Europe. The principle of free access permits nations to compete, not for the control of territory but for the establishment of mutually beneficial and non-exploitative relations, and thereby for political influence.

The notion of free access need not be in conflict with the vital security interests of the Soviet Union and the United States in territories where the establishment of hostile forces would be regarded as threatening, but it requires the acceptance of a distinction between security and hegemony. For the United States to define its vital interest in the Western Hemisphere, in Western Europe and in Japan means that it would feel a direct threat to its national security if these territories should come under the control of military forces hostile to the United States. It would hope for more—that relations with these countries would be

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amicable and productive, but it would seek that result by its diplomacy against competing influences, not by the exclusion of Soviet economic and political access to these areas.

Similarly, the Soviet Union would regard its vital interests as jeopardized by the establishment of hostile forces in Eastern Europe, but this legitimate security concern does not justify, and does not require, hegemonial control over the area. The establishment of productive relations between East and West Europe, far from being in conflict with Soviet interests, can make for a more stable and secure relationship, if Russia construes its interests in broader and less rigid terms than it now does.

Of course, it is understood that at the present time the Soviet leadership is far from prepared to accept such a distinction; any increase in external influences in Eastern Europe would now be regarded as an historical and ideological retrogression. The present Soviet outlook is in the other direction: toward obtaining from the West recognition of a Soviet sphere of influence in Eastern Europe. Perhaps time will be required to make it clear that spheres of influence, even if granted, cannot under modern conditions provide the basis for stable and productive relations.

Within these two vital zones, certain tacit rules of engagement have developed. The United States has made it clear, through a series of crisis situations, that it would not intervene by force in territory regarded by the Soviet Union as vital to its security interests. For its part, the Soviet Union has, since the days of the Berlin blockade, recognized certain less well-defined rules of engagement in Western Europe and the Western Hemisphere, with the partial and ambiguous exception of Cuba. Contrary to some popular misunderstanding, this mutual acceptance of tacit rules of conduct in security matters does not constitute a spheres-of-influence agreement, since it does not exclude the effort to extend political influence in each other's security sphere.

Outside these two vital zones, however, there is a need to work toward rules of engagement that shall apply in contested areas, if the competition for political influence is to be kept within reasonable and safe bounds. It is not a matter for conferences and treaties. Rather, these rules will evolve through the tacit codification of experience, a practical recognition of the restraints that each side comes to expect of the other; and their sanction will derive from the self-interest both nations have in avoiding direct involvement with the other in local conflict situations.

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The Soviet Union is not, and the United States should not be, committed to the defense of the status quo. It would in any case be a vain quest. Our interests are best served if the processes of change can take place in an orderly way, with a minimum of violence, responsive to the wishes of the people involved, free of external compulsion. Perhaps the most that one can realistically hope for now is some increase in sober restraint where, as in the Middle East and in Vietnam, the forces of the two giant powers are partially engaged. Over a period of time, as a result of living through a number of such conflict situations, a codification of the common law of experience will define recognized limits of engagement for the conduct of our competition for political influence. As a concomitant development, the United States and the Soviet Union may resolve their dispute over the use of U.N. peacekeeping mechanisms, and develop a range of ad hoc techniques for containing and pacifying local conflict situations.

In a period of shifting relations and the emergence of some form of balance among the five major powers—China, Japan and West Germany (or Europe), in addition to the Soviet Union and the United States—what is required is an acceptance of a process of accommodation to relative degrees of political influence, in a post-imperial order committed to the fundamental independence of its constituent parts.

IV

Progress in these directions is not likely, however, if we neglect the present relationship between force and politics. Much current discussion on this point appears to be polarized between preserving the faith in military superiority as the guarantor of our security, and a strong tide of indiscriminate antimilitarism. What is needed—although admittedly difficult in the present acerbic climate—is a more measured judgment of our military needs, both nuclear and conventional, in the light of a broader conception of our true security interests.

For more than a year and a half, the Soviet Union and the United States have been engaged in Strategic Arms Limitation Talks—but meanwhile, the nuclear arms competition has continued to spiral upward, into new and more unstable weapons systems. The fault lies in the absence of an effective political leadership in either Russia or America capable of presiding with common sense over the pressures of military services and new war

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technologies. In the absence of a political judgment to cry enough, military procurement in both countries tends to be determined by interservice competition, compounded by misplaced prudence and bargaining zeal on the part of civilian planners. A continuation of the nuclear competition means less security for both nations, since many of the weapons now coming into sight are less stable, more costly and more tension-producing.

One barrier to a leveling off and reduction in the strategic competition is the argument—perhaps rationalization would be more accurate—that further strengthening of our military position improves our bargaining position, increasing the incentive for the adversary to negotiate an agreement. The effect, on the contrary, has been to provide dynamism for the military competition.

It has been psychologically difficult for the United States to accept the loss of its accustomed nuclear superiority, and its West European allies wonder aloud whether the American guarantee will be effective under conditions of parity. The mythology of nuclear weapons has not yet absorbed the realization that superiority has no practical meaning in any real context. The argument that parity would increase the Soviet propensity to take additional risks, or diminish the American resolution in responding, ignores the fundamental inhibitions of mutual deterrence, which are not substantially changed by disparities in the respective arsenals. The technical advantages of one system against another can be argued, but to allow these technical arguments to dominate policy-making in this field is to lose a sense of proportion about the limited usefulness of nuclear arsenals, however sophisticated.

In any rational perspective, security in the realm of strategic weapons would be best served by a stable equilibrium at as moderate a level as can be managed through explicit or tacit agreement with our adversaries. On this point, the interests of the two countries are not opposed, but on neither side is this fact yet fully appreciated.

Because conventional weapons are more closely related to political effects, the competition in this field is even more difficult to regulate. The hard question posed by the growth and global deployment of Soviet conventional forces, particularly at a time when the British military presence in Asia and in the Indian Ocean is being contracted, is whether an imbalance may

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develop in the next few years which will tempt the Soviet Union to use its forces in unstable and conflicted parts of the world to influence the outcome of political processes, whether by indirect pressure, military assistance or direct involvement.

If there is to be any possibility of moving toward moderating rules of engagement in the intermediate zones, rather than toward international anarchy and unbridled competition, as suggested earlier, it is evident that sanctions must be present in the form of military equilibrium in the regions involved. Only if the forces in the area are reasonably in balance, preferably at the lowest levels possible, are they likely to perform the function of negating each other—an extension to the conventional field of the balance of mutual deterrence.

What this implies is a more differentiated approach to the problem of conventional military capabilities than is now represented in the domestic debates. Military means cannot be our main reliance in seeking to maintain the non-hostile world environment necessary to our own security; other forms of power—diplomatic, cultural, political, economic, the successful resolution of our domestic problems—are more effective means of creating a favorable world environment. But in the present international system, military equilibrium, both general and local, is a necessary condition for the free and non-violent unfolding of processes of change. If we wish to move toward a world in which force does not dominate politics, a world of free access and nonintervention, we cannot escape the painful conclusion that a balance of conventional forces is needed.

The question that the United States faces is not whether to be a presence in the world but what kind of a presence. The values we wish to realize in our society will not maintain their vitality if we allow ourselves to become isolated in a hostile world. This can result as much from the neglect as from the abuse of power. What is required is restraint and wisdom in the use of power, toward ends consistent with the international order toward which we would like to see the world evolve.

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CRISIS IN U.S. TRADE POLICY

By C. Fred Bergsten

SINCE 1962, U.S. trade policy has been moving steadily away from the liberal trade approach which had characterized it since 1934 and which has been the objective of every administration since that time.

In 1962, the Trade Expansion Act passed the Congress with the largest majority in the history of the trade agreements program and led to the Kennedy Round of trade negotiations. Since 1962, however, the number of U.S. industrial imports subject to quantitative restrictions, including "voluntary restraint" by foreign suppliers, has risen from seven to 67—a number which will shortly exceed the total of any other industrialized country, and whose restrictive impact is undoubtedly greater than the liberalizing effect of our tariff cuts in the Kennedy Round. And Chairman Wilbur Mills of the Ways and Means Committee—who helped pilot the 1962 law to its overwhelming passage—commented last year that the Trade Expansion Act would have been unlikely to attract 50 votes on the House floor in 1970.

The shift has come along an accelerating trend line. In 1964, Congress passed the Meat Import Act—the first legislated import restrictions for a major industry in the postwar period. There were attempts in 1964 and 1965 to negotiate voluntary restraint agreements covering U.S. imports of woolen textiles. The modest trade bill submitted by the Johnson Administration in 1968, whose only significant liberalizing feature was its request for repeal of the American Selling Price system of customs valuation (ASP), was never even reported out of the Ways and Means Committee; and the Administration decided that it had to negotiate voluntary restraint agreements on steel and meat to avoid turning the bill into widespread protectionist legislation. And the Nixon Administration sought to negotiate voluntary restraints on synthetic and woolen textiles throughout 1969 and 1970.

The most dramatic evidence of the shift in Congressional and public opinion developed in 1970. The so-called Mills bill, which would have levied quotas on all textile and shoe imports and tariff quotas on two minor products, passed the House of Representatives by a vote of 215 to 165. It would also have

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sharply increased the likelihood of additional import restrictions by a drastic loosening of the escape clause. It would have relegated adjustment assistance—the most constructive alternative to import restrictions—to such a subordinate position that the concept would have been totally discredited.

The bill's only concessions to liberal trade policy were its hedged repeal of ASP, and a provision that the President could waive the import restrictions if he deemed them against the national interest. The Senate Finance Committee passed a bill similar in its restrictive features, omitting ASP repeal. Only the adjournment of the 91st Congress precluded the passage of a new trade law along these lines.

The question is whether the trend will continue, with more products covered and less presidential flexibility to avoid them, or whether it can be reversed so that momentum toward trade liberalization can be renewed. If it cannot, history amply demonstrates that further slippage away from free trade is probable.

II

Two major arguments have supported a liberal U.S. trade policy in the postwar period. The first is the standard economic case for free trade: the improvement of our economic wealth and income by exchanging goods which we can produce most efficiently for goods which can be produced more efficiently by others. Imports help moderate inflationary tendencies and maintain competitive pressures on U.S. industry. Freeing of trade reduces the discrimination against the United States inherent in regional economic arrangements elsewhere in the world, notably the Common Market and European Free Trade Association; this both protects our exports and reduces the incentive for American firms to invest behind the trade barriers of those groupings.

It is also argued that free trade on balance creates jobs in the United States, because of the famous paradox that our exports use more labor than would be necessary to produce at home the goods currently imported, but primarily because we continued to run a surplus of exports over imports. And it is also argued that freer trade supports a continuation of the trade surplus and thus helps our balance of payments.

The economic argument was never sufficient by itself, however, to support a liberal trade policy for the United States.

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Trade has simply represented too small a share of our total economy, especially on the import side where the benefits are widely diffused among consumers. The trade surplus argument was always phoney: any restrictions on U.S. imports would be fully or largely offset, in trade balance terms, either by our compensation on other imports or a loss to our exports from foreign retaliation; it would be irrelevant to the outcome whether our trade balance started from a surplus or deficit position.

Though the economic argument was always marginal, it was generally regarded as positive by the major political groups in the United States. But it was the foreign policy case which provided the real impetus for liberal trade policies in the United States in the postwar period. Expanded exports were an essential component of the reconstruction of Europe and Japan, and a liberal U.S. trade policy was therefore an essential corollary to Marshall Plan aid. Later, freeing of trade was seen as a key to forging an Atlantic partnership between the United States and Europe, thereby to contain communism. Our interest in keeping the lower-income countries free from communism, and their obvious need for increased markets abroad to complement our capital and technical assistance programs, also required liberal trade policies. In submitting the Trade Expansion Act, President Kennedy went so far as to state that, "Our efforts to maintain the leadership of the Free World thus rest, in the final analysis, on our success in this undertaking."

Today, neither the economic nor the foreign policy argument for liberal trade commands much support in the United States. More disturbingly, they have lost support for reasons which appear to be deep-seated rather than subject to rapid reversal. Most disturbingly, they seem likely to continue to lose support in the years ahead unless new policies are developed and pursued both here and abroad.

III

The most important shift in the U.S. political constellation on trade policy is organized labor's move to the protectionist camp. This shift cannot be explained simply by high unemployment. Labor was becoming more protectionist even as unemployment was dropping steadily after 1962, and had adopted a completely protectionist stance when unemployment stood at its post-Korea low in early 1969. A return to overall full employment alone

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cannot be expected to bring organized labor back to the liberal trade camp, though it could of course only help.

In its role as a factor of production, labor can adopt either of two courses. It can be essentially dynamic, supporting rapid change with the objective of increasing national output and hence overall welfare—accepting, as a price, the occupational and personal dislocations which must inevitably accompany rapid change. Or it can adopt an essentially static attitude, giving up income but avoiding many of the costs of dislocation.

Organized labor now seems to have chosen the second approach, at least concerning foreign trade. Organized workers have apparently achieved sufficient income levels that the movement as a whole has become more interested in avoiding shifts of geographic location, seniority rights, local interests, etc. than in seeking higher real incomes elsewhere. The dramatically improved competitive position of other countries has of course had an important effect on this decision. Protectionist trade policies on the part of labor may be an inevitable consequence in a highly developed country where foreign trade plays a small role in the overall economy, and which faces tough foreign competition.

This decision by organized labor has been promoted by the accelerated pace through which international trade and investment transmit technological change. The dislocations of dynamism may be acceptable up to a point, but unacceptable beyond. As the most visible embodiment of such rapid change, the multinational corporation has become a special target of organized labor; and it must be recognized that these corporations command factors of production—capital and management—which are much more mobile internationally than is labor, and which thus appear across the bargaining table as invincible and unfair competitors.

Lawrence Krause has identified another underlying cause of organized labor's change of position—its decreasingly representative nature as the overall U.S. labor force grows primarily in the services rather than goods-producing sector.[1] Most goods producers are unionized and most services producers are not. The trade policy impact of this development is critical because workers in the services industries can only gain from free trade; and only the goods producers can lose from free trade, since few services can be traded internationally.

[1] See Lawrence Krause, "Trade Policy for the Seventies," *Columbia Journal of World Business*, Vol. VI, No. 1 (January–February 1971).

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Moreover, labor has not moved quickly enough in organizing the fast-growing high-technology industries as those industries have developed their share of the U.S. economy. This factor is also crucial for trade policy, since it is the high-technology industries which can compete effectively—a recent study shows that they produced a $9 billion trade surplus in 1969—and thus have a great interest in liberalizing international trade. The non-technology intensive industries, which cannot compete well —registering a deficit of over $5 billion in 1969—and thus want protection, are grossly overrepresented in the labor movement.

The single most potent political group in the country has thus turned against the economic case for a liberal U.S. trade policy. It is unlikely to return shortly and, in fact, may become increasingly protectionist as the international transmission of technological change accelerates even further. Organized labor may become even less representative as our major economic growth continues to take place in the largely unorganized services and high-technology industries. Even a reduction in the national rate of unemployment is unlikely to turn the tide. The next question is whether there are countervailing forces which appear likely to take up the economic case for liberal trade to offset this swing.

A logical candidate is the consumer. Protectionist legislation would have a more adverse impact on consumers than most of the legislation to which their representatives have devoted so much attention, and they would be among the major gainers from free trade.

There are two new economic factors, of particular concern to consumers, which argue strongly for their mobilization in this regard. First, recent studies have discovered changes in the structure of U.S. unemployment which mean that a given level of aggregate unemployment corresponds to much sharper price rises in the United States than was the case even ten years ago—the "Phillips curve" has moved sharply against us.[2] Second, at the present cyclical point of our economy, high unemployment coexists with the persistence of inflationary pressures. These new structural and cyclical situations make it exceedingly difficult for macroeconomic policy to cope effectively with inflation. Selective anti-inflationary policies, such as increased

[2] See George L. Perry, "Changing Labor Markets and Inflation," *Brookings Papers on Economic Activity 3: 1970.*

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imports, have therefore become even more appealing than usual as a means to moderate price rises.

To date, however, consumer groups have not mobilized effectively on trade. This is largely because most of these groups are dominated by organized labor, and thus focus on the sharper costs of job losses from imports than their more general but widely diffused benefit in moderating prices. The shift toward a services-producing economy gives at least theoretical promise that consuming groups will begin to play a stronger role in support of liberal trade, either because they will influence organized labor in that direction or because the impact of organized labor will decline along with its failure to reflect accurately the composition of the labor force.

There is a curious paradox concerning the impact of inflation on the politics of trade policy, however. As just indicated, price rises increase the desirability of imports as a means to check inflationary pressures and thus should call forth the voice of consumer interests. But increased inflation also reduces the international competitiveness of U.S. industries closest to the competitive margin, and thus increases their protectionist pleas. The net impact on trade politics of changes in the rate of inflation is thus indeterminate, and may be essentially neutral. We cannot count on reductions in the present rate of inflation as contributing decisively to the political base of support for a liberal U.S. trade policy, though a return to full employment together with relative price stability would probably help appreciably.

A second possible countervailing force are the multinational corporations; their Emergency Committee for American Trade was a major force against the Mills bill in 1970. They gain greatly from international trade, since they can then use their various bases of production to sell anywhere in the world and thus increase their profits. Their effects will become more pervasive as more firms go multinational.

However, these same corporations lose least from trade restraints, since their variety of production bases means that they can avoid trade restrictions better than most by simply producing in or near the markets which they serve. Their greater concern is thus with maintaining freedom for their international investments rather than free trade. In addition, relationships with labor and domestic industries seeking protection have reduced the zeal with which some of them have supported liberal trade policies.

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The multinational corporations can therefore be expected to continue to support freer trade, but whether their support will be concentrated enough to countervail the protectionist pressures is uncertain. If foreign retaliation against U.S. restrictions began to take the form of action against U.S. investments, their support for freer trade would undoubtedly increase, since exports would then become relatively more important to them.

Third, smaller industrial exporters—which would gain from reductions of trade barriers and suffer from foreign retaliation against U.S. import restrictions—should also oppose the projected trends. However, most of these smaller firms sell only a small share of their output abroad, and they account for only a small share of the political clout of U.S. business.

Agriculture is the U.S. political bloc with the greatest interest in achieving liberal world trade. About one-fourth of all U.S. farm produce is exported, and the share exceeds one-half for several key crops. Agriculture can be expected to continue to support freer trade, though its political importance will continue to decline as its share of the total U.S. labor force continues to fall. And the vigor of its support is being increasingly undermined by agricultural policies in the rest of the world.

IV

Support for continued liberal trade policies on foreign policy grounds has also been sharply eroded. This is primarily due to the neo-nationalist views which counsel that we turn away from world involvement, and which are deep-seated and likely to continue to grow. They are particularly acute in the trade field, because trade more directly affects particular U.S. interests than do most other aspects of foreign policy—even military programs affect most Americans only indirectly, via the budget—and because of widespread views that the behavior of our main trading partners justifies a protectionist shift in the United States.

It is true, of course, that any need for the United States to help support the economies of the other industrialized countries through expanding our imports from them disappeared long ago. More broadly, however, the generally reduced fear of a threat to our security from the communist world—in the industrialized or lower-income countries—renders our society increasingly unwilling to inflict economic pain on important groups to promote our overall foreign policy; one of President

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Kennedy's main arguments for the Trade Expansion Act was the need to counter the "communist aid and trade offensive," and the theme of anti-communism ran throughout the message in which he proposed it.

Neo-nationalism in trade policy is characterized by repeated charges that the United States has given away, in purely commercial terms, much more than it has gotten in past trade negotiations. It is widely believed that America has done so to assure the success of successive trade negotiations, and thus achieve broad foreign policy objectives. As a result, the Congress has developed deep doubts that any administration can be trusted to negotiate "fair" trade arrangements—and is thus extremely reluctant to extend trade liberalizing authority. A corollary belief is that the United States does not insist that other countries live up to their international obligations in the routine daily business of international trade relations.

Here, too, the future looks even more difficult than the past. Non-tariff distortions now probably rival tariffs as barriers to trade, and national policies in new areas (such as protection of the environment) will add to the list. In view of their disparate nature and subtle effects, these distortions are very hard to measure. Our analyses of the trade effects of tariffs have always been unsatisfactory, but at least they could be made. But it will be exceedingly difficult to demonstrate convincingly that the United States—or anybody else—will have gotten true commercial reciprocity from a negotiation on non-tariff distortions. It may then become even harder to convince Congress of truly reciprocal bargaining by the Executive branch in the future.

A tough trade policy stance by the Executive, producing fair treatment for U.S. commercial interests from the more routine business of trade relations, is thus an essential precondition for any new Congressional grant of trade liberalizing authority and any major new international trade negotiation. Such a policy will itself create foreign policy problems, though presumably of lesser magnitude than those that would be caused by the protectionist trends which the policy would seek to avoid.

The foreign policy case for a liberal U.S. trade policy has also been undercut by the practices of our major trading partners. The Mills bill could have been characterized as sharply escalating an international trade war, but not as starting one.

There are three major problems which concern the trade

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policies of the European Community (EC). The most important is the Common Agricultural Policy (CAP), which sharply increases production through the maintenance of price levels well above world prices, with no production controls. World trade in the commodities covered by the CAP is affected in two ways: imports are restricted through variable levies which fully protect Community producers against the lower prices of outside suppliers, and exports are subsidized to sell abroad some of the induced surpluses.

The CAP has a highly significant impact on U.S. trade policy through its impact on our own agricultural community. As already noted, U.S. agriculture is now the sole major political bloc here which strongly supports liberal trade. However, restrictions on agricultural imports by other countries—of which the CAP is the most restrictive and covers the major foreign market—reduce agriculture's support for liberal trade and undermine its position badly.

The second Common Market problem is its preferential trade arrangements with its former colonies and, more importantly, the semi-developed countries surrounding the Mediterranean. The trade impact of these arrangements on America is not yet clear, although individual problems are already jeopardizing the support of particular industries for liberal trade policies.

It is clear, however, that the arrangements violate at least the spirit of the most-favored-nation principle of the General Agreement on Tariffs and Trade (GATT), under which all member countries are to benefit from tariff reductions extended by any other member country. They thus undercut supporters of the most-favored-nation principle and liberal trade generally. The Community moves also support those who would have the United States work out its own preferential deals, especially in Latin America and perhaps East Asia. The resultant world of large trading blocs would probably add impetus to the protectionist movement.[3]

Third, the Community's nascent industrial policy could pose new problems if it were to restrict the activities of U.S. companies, including their subsidiaries in Europe. There has already been a proposal for preferences in EC government procurement for companies controlled by Community nationals in sectors

[3] See Theodore Geiger, "A World of Trading Blocs?" *Looking Ahead,* Vol. 19, No. 3 (April 1971).

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where the governments have helped finance research and development, which would represent both a non-tariff barrier to trade, and discrimination against foreign investors. There could certainly be more such steps, since one of the basic objectives of the industrial policy is to create European-wide companies which can compete more effectively against the U.S.-based multinational firms. If an EC industrial policy were to become significantly restrictive against both foreign investors and imports, the major adverse impact would be on the U.S. multinational corporations—precisely the group which has continued to support liberal trade for the United States more strongly than any besides agriculture.

All of these Community trends are likely to continue in the future, particularly if the EC successfully expands its membership to include the United Kingdom and the other applicants. In broad terms, a new Community of Ten would want to take steps to distinguish it as "Ten." More specifically, the agricultural restrictions would then include another major market; Britain has already begun to raise its price levels and accompanying import restraints. Preferential arrangements would be extended to some of the former Commonwealth countries, and all of these arrangements would of course then include trade with the Ten. Even more important, expansion of the Community virtually assures that new preferential arrangements will be worked out with other European countries unable to obtain full membership, bringing a large volume of additional trade within the discriminatory grouping. And the industrial policy may become one of the next major Community efforts, of particularly great interest to the British in view of their competence in various high-technology sectors and their desire to improve their competitive position against U.S. firms.

The difficulties which these developments raise for maintaining political support for a liberal trade policy in the United States among affected economic groups are exacerbated by growing doubts that the United States will obtain any significant political advantages from European economic integration—the basic rationale for U.S. support for the whole enterprise. This view usually focuses on the apparent lack of political spill-over from the economic steps, and is stimulated by the likely association of the European neutrals—which could only impede progress toward political unity.

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Just as the economic view often ignores our large and growing volume of trade and investment with Europe, however, this political view seems to assume that a common European defense and foreign policy could have been expected to develop in a decade, and that the plans and progress already made toward European monetary integration are not the most profoundly political of steps which could be pursued by sovereign nations. Nevertheless, the broad foreign policy doubts exist and add to the problems raised by the EC economic policies themselves.

The Japanese situation raises three important problems which add to the bleakness of the outlook for a liberal trade policy in the United States. First, the pace of Japanese liberalization, though quickening now, has lagged far behind liberalization in the other industrialized countries. Second, there is a widespread view that administrative practices and the business-government collusion of "Japan, Incorporated" will continue to prejudice the trade opportunities of outsiders whether or not explicit barriers remain. Finally, barring a sizable revaluation of the yen, Japan's competitiveness will probably continue to grow and thus keep Japan in the forefront of protectionist attacks in the United States whatever the policies which it pursues.

The final foreign policy problem is the lower-income countries. There still remains a generally sympathetic view in the United States toward their need to expand their export markets, but that consensus is beginning to change. Textile imports from Taiwan and Korea are regarded as equally dangerous as textile imports from Japan. Imports of electronic components and other relatively sophisticated products from subsidiaries of U.S. companies in Mexico, Taiwan and elsewhere are of increasing concern to those U.S. firms and workers with which they compete. If U.S. firms continue to expand their activities in these countries, essentially to take advantage of lower labor costs in producing standardized products, their lower-income status may be increasingly ignored by wide segments of opinion in the United States as trade policy toward them develops.

V

Finally, the protectionist shift is partly a reaction to the relatively pure free-trade approach of the Trade Expansion Act itself. Its major impact was its changes in the escape clause, the traditional safety valve for meeting the temporary but legitimate

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problems periodically caused for entire U.S. industries by imports. Precisely at a time when world economic competition was becoming much tougher, with the creation of the Common Market and the full emergence of Japan, the escape clause was tightened significantly.

During the 1950s, Presidents Truman and Eisenhower imposed escape clause restrictions on an average of twice yearly, and it was a credible alternative for industry complaints even when they faced less foreign competition. But between passage of the Trade Expansion Act in 1962 and 1968, there were no escape clause actions. The strength of the U.S. economy in this period would probably have reduced the number of cases in any event but the strictures of the Act, its interpretation by the Tariff Commission, and the Administration's efforts to avoid any disruptions of the Kennedy Round negotiations effectively voided the escape clause as an avenue for import relief.

The Trade Expansion Act also included the major conceptual breakthrough of providing for adjustment assistance to individual firms and workers injured by imports—a new alternative to import restrictions which could both zero in on specific problems and avoid disrupting international trade relationships. It enabled organized labor to support the Trade Expansion Act.

However, the adjustment assistance provisions were drawn so tightly, and interpreted so stringently, that not a single case of adjustment assistance was authorized through 1968. The present Tariff Commission and Administration have changed this situation as rapidly as possible, certifying adjustment assistance for 11 firms and over 15,000 workers and budgeting almost $250 million for it in fiscal year 1972. However, from a political standpoint, the administration of the program for its first six years has discredited the entire concept—though it remains the most valid alternative to import restrictions yet conceived.

VI

Some would disagree with this analysis, and suggest that the situation today differs little from 1961. At that time, protectionist pressures also looked very strong. But a major presidential initiative in the very next year carried the largest majority of any trade legislation in the history of the United States.

It could happen again. But today differs sharply from 1961. At that time, Europe and Japan had just emerged as true com-

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petitors to the United States in the world economy; today, they exceed or equal us in a wide range of sophisticated product lines. Perhaps the most startling perception of change comes in remembering that one of the five "fundamentally new and sweeping developments" on which President Kennedy based his case for the Trade Expansion Act was "the need for new markets *for Japan* and the developing countries." We are unlikely to base a trade initiative today on the need to provide new markets for Japan.

In addition, the Trade Expansion Act was sold largely on foreign policy grounds—as the most important tangible step in the U.S. effort to create an Atlantic partnership with Europe, and thus to continue to contain communism. No such grand design exists today. It is extremely dubious that foreign policy considerations would suffice to carry such an initiative now. Finally, organized labor's shift has come wholly since 1962.

In analyzing developments in 1970, some have also suggested that the near-miss of protectionist legislation was due primarily, if not solely, to the Administration's support of textile quotas when its effort to negotiate "voluntary" export restraints with Japan broke down. This position undoubtedly affected the legislative situation deeply last year, and accelerated the success of protectionist efforts. It provided support for the concept of protectionism. It forced the Administration into an ambivalent posture on trade policy, despite its liberal positions on virtually every other trade issue, which is particularly important because the President is in by far the best position to take all of the factors affecting trade policy into account—including its diffuse but crucial economic benefits and its foreign policy implications, as well as its sharp economic costs to particular groups—and thus base his position on the overall national interest.

However, the problem is much deeper than any single industry, and the basic situation would be as outlined—whatever position was taken by President Nixon on textiles in 1968–70. And it should be remembered that Candidate Humphrey made the same pledge as did Candidate Nixon, and that the textile industry would have powerfully affected developments through the Congress in any event.

VII

The development of U.S. trade policy along the lines described above could have a profound impact on overall U.S. foreign policy.

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Trade policy uniquely pervades U.S. relations with all major areas of the non-communist world. Trade and related economic issues are already among the most important between the United States and Europe, and will become more so as the European Community continues to replace America as the single most important entity in international economic relations. Trade already heads the list of U.S.-Japan problems, as the textile issue demonstrates. Economic issues dominate relations between America and Canada. Expansion of trade is one of the greatest needs of the lower income countries, so U.S. trade policy will have a major bearing on our overall relations with Latin America, Asia and Africa—particularly since the level of U.S. economic assistance is unlikely to rise dramatically in the period ahead. And even our relations with the communist world would not remain unaffected if we helped resuscitate long-buried Marxist shibboleths by permitting economic confrontations in the West both to undermine Western unity and tempt individual non-communist countries to seek new economic, and therefore political, relations with the communist world.

The foreign policy impact of a restrictive U.S. trade policy would go far beyond dollars and cents, important as they are. Throughout the postwar period, the United States has largely been viewed as a generous country, which makes mistakes but whose mistakes are usually made in following policies intended to help the world as a whole as well as the United States itself.

Continued U.S. leadership of this type is probably no longer needed. In view of our pressing domestic priorities and the changing perception of our national interests by many Americans, it could probably not be sustained domestically at this time. But a lurch all the way to crass mercantilism could have a devastating impact on foreign perceptions of the United States.

Another key quality of U.S. foreign policy throughout most of the postwar period has been its predictability. In a crunch, others could usually count on the United States to provide the anticipated support or to seize a constructive leadership role. A posture of uncertainty in such a crucial area would also undermine U.S. foreign policy. The deliberations on the Mills bill in 1970, for example, spanned almost nine months with the outcome uncertain into the final two weeks—and with the uncertainty resumed when the new Congress convened. And the unpredictability could spread well beyond trade, since U.S. inter-

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est groups, hurt by foreign retaliation against our own import restrictions, would undoubtedly seek to retaliate themselves, perhaps by seeking to reduce U.S. troops in Europe.

The importance of trade policy to overall U.S. foreign policy will undoubtedly increase over the next few years. First, the economic interdependence of nations is increasing rapidly and protectionist steps by our country will thus have an ever larger economic, and therefore political, impact on other countries. Second, the economic content of overall U.S. foreign policy is likely to grow as these economic exchanges rise and as we reduce our direct military and political involvement around the globe. Third, the basic objective of present U.S. foreign policy is to forge new and mature partnerships with other areas of the world; many other countries rank trade policy very high on their priority lists, and it will be impossible to create true partnerships if we fail to heed these most crucial concerns of theirs.

Throughout the postwar period, U.S. trade policy—indeed, all U.S. foreign economic policy—has primarily served to promote overall American foreign policy objectives. The realities of the 1970s require that the "economic" component achieve a much greater share of the foreign economic policy equation. But there are those who wish to make overall foreign policy the handmaiden of foreign economic policy, and there is a strong risk that trade policy will come to dominate overall foreign policy disastrously. It is in this sense of steady erosion—not necessarily of abrupt cataclysm—that it is proper to speak of a trade policy crisis in U.S. foreign policy.

VIII

This picture is extremely pessimistic concerning U.S. trade policy, and therefore concerning a key element of overall U.S. foreign policy. Several new policy directions are necessary to reverse this trend, and even more sweeping changes may be required as well.

First, any administration will have to defend U.S. commercial interests vigorously around the world, including placing people who comprehend the importance of these economic problems in key positions in the U.S. foreign policy machinery. Credible policies in this direction are necessary, at a minimum, to avoid having Congress take trade matters increasingly into its own hands. Beyond that, it appears to be a sine qua non for any ad-

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ministration to receive authority from the Congress to embark on new trade liberalizing negotiations. This course itself will have important foreign policy costs, confirming the general thesis that U.S. foreign policy will undoubtedly be eroded by U.S. trade policy in the years ahead.

Second, adjustment assistance must be resuscitated politically to forestall new restrictions to meet import problems. It will probably have to become available at an earlier point in the adjustment process, more quickly after the problem is perceived, in bigger amounts, and in more innovative forms.

Third, increased flexibility of exchange rates would ensure earlier correction of payments imbalances among national economies. They would thereby relieve the political pressure on marginal industries which can compete only if equilibrium exchange rates exist, and avoid trade balance shifts which provide support for protectionist pleas. The United States has a particular interest in improving the exchange rate mechanism because the biases of the present system promote undervaluation of other currencies against the dollar.[4]

Fourth, a liberal trade policy will have to be rebuilt with new political constituencies. Workers in the services industries, and who have major export interests, might decide that their interests differ from the organized labor movement on trade policy. Consumer groups might mobilize. The strong support of agriculture must be maintained. U.S. firms with direct and indirect (especially foreign investment) interests in freer trade must play a greater role. Foreign policy interests must resume their efforts on behalf of tough but liberal trade policies.

Even with such constituencies, however, it is uncertain whether any administration would be able to mount sufficient domestic support to launch a new initiative for freer trade—possibly the only way to avoid further slippage in the protectionist direction. It may well be asked, however, why America should once again have to take such a lead—as it has in every one of the numerous postwar GATT trade negotiations which culminated with the Kennedy Round.

The European Community has already become the major factor in world trade; with the expansion of its membership and

[4] See C. Fred Bergsten, "The United States and Greater Flexibility of Exchange Rates," in Bergsten, Halm, Machlup, Roosa, eds., "Approaches to Greater Flexibility of Exchange Rates: The Bürgenstock Papers." (Princeton Univ. Press, 1970).

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the expected conclusion of additional preferential arrangements, it alone will account for almost one-half of world trade. Japan has been a major cause of today's trade problems. Foreign trade is more important to both Europe and Japan than to the United States. As several Congressmen are reported to have said, "Let a trade war come—we'll win it." There would, of course, be no winners in a trade war, but it is probably true that—in an economic sense, at least—we would lose least.

It therefore appears that the Community or Japan, or both, should take the next major international trade initiative. A logical time might be when the expansion of the Community is definitely achieved, since protectionist sentiments in the United States would otherwise rise precisely at that time in expectation of new threats to our commercial interests.

We should be under no illusion that it will be easy for the Community or Japan to take such a trade initiative. But the whole concept of shared responsibility for world leadership is most likely to develop first in such an area where their interests —and their relative power—provide a strong incentive for them to do so.

Faced with such an initiative from abroad, the United States would have only two choices—to turn its back on the world, or to coöperate in launching an effort to resume the postwar movement toward trade liberalization and hence avoid the broad international problems which would arise in its absence. The political problems cited throughout this article would not permit an easy response but the odds are heavy that, in such a situation, the American answer could only be positive.

No other step could so dramatically display both the full maturation and outward-looking nature of the new Europe and Japan, indelibly marking their arrival as major powers on the world scene—and at the same time confirming the wisdom of the unremitting support extended to them by the United States throughout the postwar period. Such a sequence of events could turn the tide of global trade policy, at once arresting the protectionist push and moving to preëmpt the greater problems which will arise tomorrow if they are not headed off today. And the passing of the mantle of world leadership in such a crucial field would mark the most concrete evidence yet that we have moved beyond the postwar period, and that shared leadership is indeed possible in the 1970s and beyond.

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AMERICA AND RUSSIA IN INDIA

By Chester Bowles

AS in many other parts of the world, the interests of the Soviet Union and the United States in India are widely assumed to be in "conflict." To what extent is this conflict genuine, and what are the implications for Asia in general and South Asia in particular?

America and Russia have each made major contributions to India's economic development. The United States has helped rebuild and modernize India's railroads, contributed 60 percent of the capital for India's power development, helped build and staff eight agricultural universities, provided nearly 40 million tons of foodgrains, printed millions of books for Indian schools, published four excellent magazines to help Indians better understand America, provided thousands of American technicians and made it possible for thousands of Indians to go to America for training and advanced education. The size of the U.S. Peace Corps in India has been double that in any other nation.

Although the Soviet economic investment in India is considerably less, it has been substantial. The U.S.S.R. has helped expand the production of steel and heavy electrical equipment and has provided close to one billion dollars to modernize India's army, navy and air force. Both the United States and the U.S.S.R. have, in addition, sent to India a steady stream of singers, musicians, and cultural exhibits, the number of Soviet programs being at least double our own. Both have large embassies in New Delhi.

Although Soviet and American activities and programs in India are somewhat similar, the political objectives and tactics have differed sharply. Let us first consider the U.S.S.R.

When Nazi Germany invaded the U.S.S.R. in June 1941, the promotion of Lenin's doctrine of worldwide revolution was muted and communist parties abroad were directed to focus all their energies on winning the war. This forced the Communist Party of India to coöperate with the British colonial government and largely to dissociate itself at a crucial moment from the struggle for independence. The reaction of the non-communist Indian leaders and the tens of millions who supported them was bitter. When official Soviet organs attacked Gandhi as a

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"reactionary Hindu" and depicted Nehru as the "Chiang Kai-shek of India," the gap seemed unbridgeable.

After Stalin's death in March 1953, however, the Soviets began to ease their harsh line. In August of that year Malenkov spoke warmly of India's contribution to ending the Korean War and expressed the view that Indo-Soviet relations would "continue to develop and grow in strength." Contrary to the general impression, Nehru himself during this period had few illusions about the objectives of the Soviet Union and its leadership in India. A few days after Stalin's death, the Prime Minister described Stalin to me as "the coldest human being" he had ever met.

This shift in the Soviet mood coincided with John Foster Dulles' decision in 1954 to provide military equipment to Pakistan and convinced a reluctant Nehru that India should accept some assistance from Russia to "keep its options open." In 1955 the first Soviet loan agreement for Indian economic development was signed. On February 21, 1956, the Soviet Union agreed to finance and build India one of the most modern steel mills in Asia at a cost of $140,000,000.

Although the outside world had no clear indication of the growing differences between China and Russia until a few years later, the possibility of a split must have been apparent to Soviet leaders by the mid-1950s.[1]

When the break actually occurred in the late 1950s, Soviet assistance to India was sharply increased. Yet even when the Chinese-Indian conflict occurred in October-November 1962, Soviet leaders, still clinging no doubt to the hope that a tolerable relationship with China might be reëstablished, at first held back. Only when Khrushchev and his colleagues became persuaded that a rapprochement was no longer possible did India begin to receive its present high priority from Soviet policy-makers.

While the U.S.S.R. certainly hoped for some additional dividends—India's support for Soviet foreign policy generally, the expansion of the "Socialist camp," etc.—the motivation of the U.S.S.R. in assisting India has since the mid-1950s been primarily based on the Soviet estimation of India's geopolitical

[1] In February 1957, shortly before the Soviet-Chinese break became evident, I had a lengthy discussion with Nikita Khrushchev in Moscow, most of which centered on India and China. When I remarked that both the Soviet Union and the United States might ultimately face a common problem in regard to China, he did not disagree.

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importance as a partial balance to the political influence and potential military weight of China.

II

The United States Government, however, has never considered India to be of major political significance to the future of Asia. Our policies in India, like our policies elsewhere in Asia, have been the product of strangely diverse considerations, a fact which has not only confused most Americans but also many Asians. On the one hand, those who have been setting our policies have consistently failed to understand the political forces which are shaping Asia and to appreciate the limits of traditional military power in dealing with these forces. On the other hand, many of our actions have taken place within a framework of genuine idealism. Thus India has been seen as an impoverished nation struggling bravely but probably futilely to govern itself through democratic institutions, which for humanitarian reasons we have felt obligated to assist.

Our generally warm feelings for the Indian people and our concern for their welfare became evident in the 1930s and 1940s as the American people watched India's nonviolent struggle for independence under the leadership of Gandhi. During World War II, Roosevelt repeatedly pressed Churchill to agree to India's independence as soon as the war was over; indeed, two of Roosevelt's personal representatives in India supported Indian independence so openly that the British asked that they be removed.

When India became independent in 1947, the energies of the United States were largely focused on the economic and security problems of Western Europe. But in mid-1951, we provided India with two million tons of wheat, and in December of that year, during my first tour as Ambassador to India, I signed with Nehru the first developmental assistance agreement—an outright grant of $54,000,000 to assist Indian development. Since that time the United States has contributed $8 billion in loans and grants to bolster India's economy and to help feed its people.

Paradoxically, we have provided this massive assistance to a nation which most of our harassed top policy-makers in the State Department, White House, Pentagon and Congress have visited only briefly or in many cases have never seen, and of which consequently they have had only a limited knowledge and a hazy

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understanding. The Bureau of Near East-South Asia Affairs, which has jurisdiction over our relations with India, stretches all the way from the India-Burma border to Libya. Understandably, the time of its key officials has largely been absorbed by the explosive Middle East. The average number of Representatives and Senators visiting India each year during my eight years there as Ambassador was nine—most of them for relatively short visits in and around the large cities.

Lacking firsthand knowledge of the complexities of Indian society and the hopes and fears of its people, it is not surprising that the Kiplingesque impression of India as an ancient land of cobras, maharajahs, monkeys, famines, polo players, overcrowded with cows and babies, still persists in the minds of many top officials in our government.

A relatively small number of able South Asia specialists in our universities have worked diligently to fill this information gap. But most of our "Asia specialists" are in fact Chinese, Japanese or Southeast Asia specialists; very few of them have had an opportunity really to know and understand India and to consider its relations to the rest of Asia.

The assumption that by giving India economic assistance we are at least assured of its friendship and hopefully of its support has generated reactions in New Delhi that have further confused our relations. The nationalistic leaders of India, as in most developing nations, are determined to demonstrate that they are now masters in their own house. When they assert their independence by refusing to see the world as our government sees it, leaders within the Administration and Congress have become by stages puzzled, frustrated, hurt and angered.

As a consequence, many overburdened officials in the State Department and White House have gradually lapsed into the comfortable rationalization that no matter how much assistance is given to India, its poverty is probably too deep and its population too vast to enable it to become a stable, viable nation. Only the fact that India is by far the largest underdeveloped nation, with the exception of China, and has somehow maintained in the world a democratic government for a quarter of a century, has enabled it to retain even its present precarious position on the back burners in the State Department and White House.

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III

In 1963 the decisive factor in my decision to return to India as Ambassador was the conviction that in this role I might be able to contribute to the long overdue reorientation of our policies not only in India but in Asia. While skillfully marshalled arguments may establish doubts about the wisdom of an existing policy, it has been my experience that a policy itself is unlikely to be changed unless a major event shatters old relationships and forces a reëxamination of existing assumptions. The coincidence of four major events involving the Soviet Union, China, India and Japan, was, I thought, creating precisely such an opportunity.

These were the continuing split between the Soviet Union and China; the China-India conflict in 1962 which brought Nehru's efforts to create a live-and-let-live relationship with China to an abrupt end; the rise of Japan to become the world's third industrial power; and the beginnings of our blundering military involvement in Southeast Asia. The combination of these four "happenings," I felt, might force our government to reconsider its Asia policies as a whole and to give a higher priority to the one-seventh of mankind who live in India.

The promptness with which we responded to India's appeal for help following the Chinese attack in October 1962 seemed to reflect the new sense of priorities for which I had hoped. The emergency shipments of $70,000,000 worth of military equipment which we airlifted to India within a few days after Nehru's appeal reached Washington, was at the time assumed to be only the first step in the modernization of India's military forces. The Indian request for $500,000,000 of military assistance to be spent over a period of five years was less than half of what we had already given Pakistan. However, the old Dullesian arguments soon began to be raised again in the State Department and Pentagon, *i.e.* if we helped India even moderately to build up its defense capacity, we would upset our "loyal ally," Pakistan.[2]

At first I was hesitant about India's request but for quite a different reason. Since World War II, most of our military assistance outside Europe, I felt, had been given not for legitimate purposes of defense but in effect as a bribe to persuade the recipient governments to support U.S. foreign policy. Once started,

[2] For several years Pakistan had been manipulating American policies in Asia with a skill matched only by that of the Nationalist Chinese.

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such assistance was hard to stop; sometimes we became political captives of the nations we were striving to defend.

I was convinced, however, that the situation in regard to India was radically different. Nehru clearly was not for sale and India's defense needs were very real. Its 2,500-mile long border with China had recently been breached by Chinese troops, and in addition there were 600 miles of border with Burma, which was in a state of general unrest. Although Pakistan's army, air force and navy had largely been equipped and trained by the United States, Pakistan had verbally supported the Chinese attack on India in 1962 and could not be depended upon to remain neutral if the Chinese should attack again. Under these circumstances our refusal to assist India while we continued heavily to support Pakistan seemed indefensible.

Moreover, in view of its recent clash with China, India was determined to modernize its defenses by one means or another. If we were not prepared to meet its legitimate security needs, I believed that India would turn, however reluctantly, to the Soviet Union. With Soviet concern over China growing, the response to Soviet advances would almost certainly be affirmative.

The possibility of this chain of events was rejected by almost everyone in the State Department, Pentagon and White House. India, it was assumed, had no place to go but to the United States. President Kennedy, however, seemed to agree with my view and asked me to explore the situation with Prime Minister Nehru and his associates immediately after my arrival in India in July. I should then return to Washington for further discussions with him.

In the summer and fall I had a series of long talks with Nehru, Defense Minister Yeshwantrao Chavan and other Indian officials not only about their own military security problems vis-à-vis China, but also about their willingness to take a greater measure of responsibility for the stability of Asia as a whole. In mid-November I left for the United States with a tentative understanding with the Indian Government in my briefcase. Quite unexpectedly, Nehru, who had been emotionally shattered by the recent Chinese attack, had volunteered to support a genuine effort by our government to negotiate a political settlement that could end the fighting in Southeast Asia. (This was before U.S. ground forces became directly involved in Vietnam.) He was also prepared to negotiate a ceiling on military expenditures

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with Pakistan. With this evidence of a new coöperative mood in New Delhi and with the President's backing, the way appeared to be open not only for a constructive relationship with India but even, with a bit of luck, a negotiated settlement in Southeast Asia.

However, these hopes were soon dashed. Kennedy's assassination six days after my arrival in Washington and Nehru's death six months later, in May 1964, when our government and an Indian negotiating team were on the verge of an agreement, resulted first in delay and finally in a decision by the Johnson Administration to postpone further consideration until the "situation had been clarified."

Three months later, the same Indian negotiating team visited Moscow and returned to New Delhi with all they had asked for, and more. Today India's 28 divisions, its 700-plane air force and its small but competent navy are largely supplied with Soviet equipment. It would be a mistake to exaggerate the political implications of the Soviet role as principal military supplier to the Indian defense force. But I believe that a major opportunity to use our own military assistance to promote greater political stability in Asia was missed.

IV

Because of the Soviet Union's greater awareness of India's potential role in Asia, Soviet operations in India are much more closely directed by the Foreign Office in Moscow than U.S. operations are directed by the State Department in Washington. As a result there has been a profound difference in tactics and in style between the Soviet and U.S. operations in India, which in spite of the continued indifference of Washington officialdom has helped keep our relationship with India on a reasonably even keel.

Most American embassies throughout the world are tied tightly to Washington by a combination of fixed policies, highly developed communications systems and frequent two-way visits. The embassy in New Dehli has been in a quite different category. There have been no clear national policies to guide its day-to-day operations. It is 10,000 miles from Washington and thus far, blessedly free of a modern telephone communication link. Most important of all, for the better part of 20 years it has been run by a series of independent-minded, politically expendable,

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noncareer Ambassadors who generally have had the support of the lower-level India specialists in the State Department.[3]

Each of these Ambassadors travelled widely throughout India, and came to know on a personal basis most Indian leaders, and each spoke regularly to groups of college students, businessmen, educators and economists. Moreover, while not always in agreement with the policies of the Indian Government, each of them genuinely liked the Indian people. Their effectiveness was increased by the fact that they were supported by able staffs, most of whom shared their views.

Lacking clear policy direction from Washington, our remote and comparatively isolated embassy in New Dehli has within certain limits been able, independently and unofficially, to establish a less rigid set of goals. For instance, there has been a continuing effort to increase India's confidence in itself, to encourage India to broaden its perspectives on Asia and to understand U.S. difficulties in dealing with unfamiliar world problems. The New Delhi embassy has also consistently and with considerable success resisted pressures from Washington to use U.S. economic assistance as a lever to force India to see the world as we see it. In my eight years as Ambassador to India, I can remember no occasion when the State Department told me what to say or questioned any public statement I made.

The understanding and often close relations established with many Indian citizens and leaders by members of the American mission have been strengthened by nonofficial groups such as the American women's clubs in major cities which have taken an active role in social welfare projects and developed a genuine appreciation of Indian culture, religion and language. The several thousand impressive young Peace Corps Volunteers, who have served in India for an average stay of two years, and the 8,000 Indian students who attend American universities every year further strengthen these ties.

As a result, a great deal of common ground has been created in the last 20 years among influential Indians and Americans. Most Indians both in and outside the government remain critical of U.S. Government policies on such questions as Vietnam or East Pakistan, but with a few notable exceptions they have liked and respected Americans as individuals.

[3] I refer to Ambassadors John Sherman Cooper, Ellsworth Bunker, John Kenneth Galbraith and myself.

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Since the Soviets devote a major share of their budget and manpower in India to an attempt to create distrust of America and Americans, the rapport to which I refer has been an important and perhaps decisive factor in keeping Indo-American relations relatively smooth. The Soviet effort to break these bonds and to turn the Indian people and government against the United States involves every device from forged letters to blistering attacks and accusations by Soviet-financed newspapers such as *Blitz, Patriot, Link,* and Radio Peace and Progress, which is specially beamed into India from Moscow. No doubt this effort has made an impression on some Indians. But because it is hard for most Indians to believe that the Americans they see and know are "imperialists" and "war mongers scheming to undermine India's independence," it has fallen far short of its objective.

The reasons for the persistence and intensity of the Soviet effort are unclear. Many believe that it reflects widely differing views of world affairs within the Soviet bureaucracy. In New Delhi, for instance, there are almost certainly deep differences between the younger and more modern-minded Soviet diplomats and those members of the KGB who still believe that Lenin's "revolution of the working classes" is in fact just around the corner. Similarly, some U.S. officials in the Pentagon and State Department still feel more at home with the rhetoric and tactics of the cold war.

Soviet activities in India have been further complicated by the fact that the original Communist Party of India has split into at least three sections. First, there is the Communist Party of India (CPI), which makes a determined effort to appear responsible and to coöperate with other "Socialist" parties. This group is largely financed by and directed from Moscow. It is small and compact, and therefore a less obvious target for criticism. But for that very reason it may have a greater potential influence than most people suspect.

The tactics of the CPI following Mrs. Gandhi's election in March 1971 have been shrewd. The first step was the announcement and later the introduction into Parliament of an appealing program to promote greater economic and social justice which generally reflects the liberal philosophy on which Mrs. Gandhi based her sweeping victory. If the new Congress Party adopts or supports all or part of such a program, the CPI can claim credit;

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if it fails to adopt the proposals, the CPI can charge that Mrs. Gandhi is still in the grip of the "reactionaries."

In addition, there is the Communist Party-Marxist (CPM) which came close to winning a majority in the recent West Bengal State Assembly elections. The CPM might be considered a Maoist party if it were not for the fact that it is momentarily in the Peking doghouse because of its persistent attempt to work within India's parliamentary process. Finally, there are the Naxalites, an extremist left-wing group which does not fit into any clear ideological pattern but which believes in ruthless violence and destruction as the necessary basis of revolutionary change.

Many observers in India are convinced that the differences among these three communist-marxist parties are more a matter of the timing of the "inevitable" revolutionary uprising than of actual ideology. However, I suspect that at least some of the differences run much deeper. This raises the question of whether Moscow really wants a communist India which, whatever its immediate advantages, would lead to further fragmentation of the communist "camp" and place an added burden on the juggling abilities of Soviet officials and ideologists.

V

What is the reaction of India to the lavish attentions it has been receiving from the world's two most powerful nations? Most Indians have become ever more disenchanted with the price that the Soviets have asked them to pay in terms of national dignity and sovereignty for their continued support and assistance. But because of their greatly increased fear of China, they now find themselves closer to Moscow than they really want to be.

India's decision in 1968 to abstain on the United Nations resolution vote in the Security Council condemning the Soviet Union for its invasion of Czechoslovakia illustrates its dilemma. If India had voted for the resolution, Mrs. Gandhi and her colleagues were convinced that there would be a dangerous slowdown in the flow of ammunition and spare parts from the Soviet Union for the Indian army, navy and air force. Consequently, India felt forced to abstain on an issue which had aroused strong feelings among most Indians.

The position of the U.S.S.R. in India has also been damaged

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by the high-handed manner in which Soviet representatives often negotiate economic and commercial agreements. Three or four years ago large headlines in Indian newspapers announced that the Soviets had agreed to buy 50,000 Indian-built railroad cars. However, when the bargaining began it became apparent that the euphoria was not justified. The Soviet price was far below the Indian cost price and as a result the deal fell through.

Nor is America wholly free of the charge of taking advantage of India's difficulties. During India's food crisis of 1965–66, President Johnson rather obviously attempted to use our wheat shipments to persuade India to take a more tolerant view of our military activities in Vietnam. Determined to demonstrate their sovereignty, the Indians predictably stepped up their criticisms of our bombing of North Vietnam. Angered, President Johnson responded by slowing down our wheat shipments at the very moment when they were most needed. This left scars.

Another factor in the relations among the three countries is India's increasing disenchantment with the heavy influx of "experts" from both nations. Not all of them—Russian or American—have been as capable as their Indian counterparts, and in some cases they have been insensitive to their surroundings and to Indian attitudes. Often India has accepted technical assistance from both the United States and the Soviet Union more to satisfy the donors than because of actual need.

VI

The remaining years of the twentieth century will be years of continuing unrest. In Africa, Latin America and Asia, corrupt governments, the pressure of college graduates without jobs, and the demands of the millions who work the land and operate the new industrial machinery to obtain a larger share of the wealth which they produce, will open wide the door for revolutionary change. Under these circumstances it is unrealistic to expect either the Soviet Union or China to forgo their professed revolutionary objectives. Nevertheless, the strength of Soviet and Chinese nationalism, with the two nations facing each other along a 5,000-mile border, coupled with the fact that the Russian Revolution is now more than 50 years old and is gradually losing its original fervor, suggests that they will follow quite different strategies.

The Soviet interest in India is only one facet, though a major

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one, in the Soviet effort to expand its influence throughout Asia. The increased Soviet naval force in the Mediterranean, the intense desire of the Soviets to reopen the Suez Canal and the presence of Soviet naval units in the Indian Ocean are reflections of this effort.

In June 1969, the General Secretary of the Soviet Communist Party, Leonid Brezhnev, noted in a speech at the World Communist Party Conference in Moscow, "We are of the opinion that the course of events is putting on the agenda the task of creating a system of collective security in Asia." This assertion has not officially been amplified, and consequently every government in Asia has been interpreting it in a different way. India's reaction to Brezhnev's statement was cautious: Mrs. Gandhi discreetly let it be known that India would prefer a nonalliance security agreement composed of Asian states, guaranteed by both Russia and America.

However, a key to Brezhnev's meaning appeared in advance of his speech in an article in *Izvestia* in May 1969, in which it was asserted that the same countries which have won their freedom from colonialism "will strengthen the peace by their own joint opposition to expansion and imperialism." The forces of "expansion" to which Brezhnev referred were clearly the Chinese, who were charged with harboring designs against a number of Asian countries. Peking promptly responded by accusing Brezhnev of "fishing in the dung heap of imperialism."

The U.S.S.R. is seeking to "contain" what it believes to be an expansionist-minded China—much as we have been trying to do—by associating whatever Asian nations can be persuaded to coöperate in a loose political organization under its leadership. When asked, "What is the basis of Soviet foreign policy in Asia?" a Soviet official recently replied with an eye to America's pullback from Asia, "We simply occupy the empty seats." But the U.S.S.R.—like China—is no more likely to succeed in forging such an association than we have been. The increasingly nationalistic Asians have no design to become the tail of the kite of any nation no matter how great its military power or how generous its offers of economic assistance.

Right now both the Soviet Union and India are concerned about the political thaw between the United States and China and the implications of China's support of the right-wing government in West Pakistan. The apparent easing of the Chinese

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attitude toward the United States is seen by many observers as the first step in a long-range Chinese program calculated to strengthen China's position in South Asia and eventually in Africa at the expense of the U.S.S.R., India and the United States.

A Soviet official with a touch of geopolitical paranoia might visualize the following sequence of events:

1. The Chinese, convinced that the United States is in fact prepared to withdraw from Southeast Asia and concerned about their own confrontation with the U.S.S.R., may seize upon the opportunity to establish a degree of rapport with the United States which might be useful to both nations in a number of ways.

2. If President Nixon will agree not only to pull all U.S. troops out of Southeast Asia but our air force and naval units as well (a move that would be warmly welcomed by most Americans, including leaders of Congress), China might seek to persuade the Hanoi government to release American prisoners and to take a more flexible position in the peace negotiations with the United States. This would serve the interests of both China and the United States and perhaps enable China to expand its trade with the United States and to ensure entrance into the United Nations, with the possibility that ultimately some degree of coöperation with the United States in regard to Pakistan and even the Soviet-Chinese conflict might become possible.

3. But a possible settlement of the conflict in Southeast Asia is only one aspect of a complex situation. China (ping-pong diplomacy to the contrary) believes that "the four seas are raging, the five continents are rocking," and its government may be expected to maintain its militarily cautious but politically aggressive revolutionary course.

A primary Chinese objective is the establishment of a solid Chinese presence in the Arabian Sea and the Bay of Bengal. This would enable China to outflank the U.S.S.R. (as well as the United States) and move thousands of miles closer to East Africa, a potentially rich and underpopulated area, in which for several years Peking has been taking an increasing interest. No one believes that the Chinese at the present time are prepared to run a serious risk of war in pursuit of this objective, but it is widely believed to be a major part of Chinese global strategy. According to Indian sources, 13,500 Chinese are now working in East Africa. There is also some fear that China may provide

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support to small guerrilla groups in Iran as they already have done in Oman. As a measure of its concern, India's leading China expert has recently been assigned to East Africa.

4. The present conflict in East Pakistan affords the Chinese an opportunity to move cautiously toward this goal. The fighting has placed an impossible burden on Pakistan's economy. With or without the Eastern wing, it will soon be in a state of near bankruptcy and in need of massive assistance. By supporting West Pakistan and by working with pro-Chinese Pakistani politicians, China will strive to establish a strong and eventually dominant presence there. With Sheik Mujibur Rahman removed from the scene, East Pakistan would also offer an opportunity for a new Maoist-oriented leadership. (India looks upon this latter possibility with particular alarm since it would almost certainly bring the Maoists in both East Pakistan and the CPM in West Bengal into a close association. This would create heavy pressures for an independent united Bengal, which would not only present another tempting target to the Chinese but would threaten the unity of India itself.)

This scenario may turn out to be no more than a bad dream, but there is no question that at the present moment many Soviet as well as Indian leaders are dreaming it—including some who are not normally subject to paranoia. The skeptics who dismiss it as farfetched are likely to be reminded that in the last 20 years several equally "impossible" developments have occurred in Asia: for instance, the sudden collapse of colonial rule, the dramatic emergence of Japan as the world's third-ranking industrial power, the disruption of the Sino-Soviet bloc and America's involvement in a major undeclared war in Southeast Asia in which nearly as many Americans have been killed as in World War I.

Far from being inevitably locked in a relentless confrontation, Russia and America have many problems, worries and objectives in common. By now each should have discovered that its own capacity to influence India and Asia is strictly limited. We have learned this lesson the hard way, and the generally cautious leaders of the U.S.S.R. are unlikely to repeat our folly.

With the passage of time (perhaps with an unexpected assist from some new "happening"), we may hope that the Soviets will abandon their present ineffective cold warring in India and put aside their nostalgic Leninist dream of a Soviet-dominated

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world, and that ultimately even the Chinese ideologists will come to see that their efforts to fish in troubled waters of South Asia and Africa are unproductive and dangerous.

As for the United States it is still not too late for us to bring our policies in Asia and particularly in India into line with the realities. Some steps we might take are as follows:

1. As an essential first step, the policy-making officials in the State Department and in the White House must broaden their perspective on India and its potential role in Asia. The following reorganization within the State Department would do much to accomplish this: (a) A new Mediterranean Bureau would include North Africa, the Middle East areas and Afghanistan and Pakistan; (b) A new South and Southeast Asia Bureau would include, in addition to the Southeast Asian States, India, Ceylon and (if it manages to become an independent nation) Bangla Desh (East Pakistan); (c) A new East Asia and Pacific Bureau would include Japan, the Philippines, Taiwan, China and Korea.

2. The State Department should schedule regular in-depth visits to India and South Asia not only by its own key policy-makers but by other government officials who are called upon directly or indirectly to deal with questions involving India.

3. All U.S. military aid to Pakistan should be stopped immediately. It can only lead to a comparable build-up in the Indian military, a reduced rate of development and the recurring possibility of war. Our lavish arming of Pakistan since 1954 will surely be considered by historians as one of our major follies. Until the political situation clarifies, economic assistance to Pakistan should be concentrated on the rehabilitation and relief of East Pakistan.

4. America, Russia and India should not only attempt to arrive at better understandings of one another, but also of China. Such understanding and the more responsible and constructive policies that may grow out of it are the long-term prerequisites for peace and more rapid economic development throughout Asia. A military conflict between the U.S.S.R. and China could be the ultimate disaster for mankind. We should therefore refrain from any temptation to play China and the Soviet Union against each other.

5. We should assure Mrs. Gandhi and her new government of whatever assistance, with no political strings, is necessary to

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support her effort to better the lot of the Indian people and to ensure the economic growth and stability of India. Unquestionably the newly elected government under Mrs. Gandhi's direction means business, but India's resources are strained to the breaking point.

Part of this assistance could be provided by a ten-year moratorium on the payments of principal and interest which India is now making on debts to the Western consortium nations including the United States and the World Bank. Next year these payments will total more than $600 million in hard currency.

By helping Mrs. Gandhi's new government to deal successfully with India's current internal problems we can help ensure the viability and political effectiveness of this cohesive democratic nation. With a population equal to that of Latin America and Africa combined, with a remarkable degree of political resiliency and depth of culture and with an effective administrative structure run by a generally competent civil service, an independent, confident India can play a major role in the stabilization of post-Vietnam Asia.

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OIL POWER

By Walter J. Levy

In the brief period since the late summer of 1970, Tripoli, Caracas, Tehran and then Tripoli again have witnessed unprecedented demands upon the international oil industry by major oil-producing countries, dramatic confrontations with threats to withhold essential oil supplies, and far-reaching "settlements." As a result, the economic terms of the world trade in oil have been radically altered. The balance among oil-producing and exporting countries and oil-consuming and importing countries, and among oil companies themselves appears, at least as of now, to have shifted decisively in favor of the producing countries.

The winds of change for the oil industry that have been stirring throughout the decades since 1950 have now risen to hurricane proportions. The aim of major oil-producing countries in this vortex is clearly to maximize their governments' "take" out of the value of their oil production and to obtain increasing control over oil operations. To achieve this, these countries—already formally joined in the Organization of the Petroleum Exporting Countries (OPEC) since 1960— have now effectively combined to wield the economic and political power of an oil monopoly.

For their part, consuming countries are faced with appreciably higher prices for their oil imports, which for most constitute by far the major part of their total energy supplies and energy costs. Foreign exchange outlays are thus mounting rapidly. And the traumatic experience of confrontation between the industry and the producing governments raises new questions as to the security of essential oil flows against interruption. Clearly, a very real challenge to the historical structure and operation of the internationally integrated oil industry is emerging—at a time when demand for oil is increasing swiftly.

The figures are dramatic. Oil consumption in the non-communist world increased from 10 million barrels daily in 1950 to 39 million in 1970, and will reach 67 million in 1980; U.S. oil consumption increased from 7 million barrels daily in 1950 to 15 million in 1970, and will reach 21 million in 1980; Europe's consumption shot up from only 1.2 million barrels daily in 1950

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to 12 million in 1970, close to that of the United States, and will reach 23 million in 1980, exceeding that of the United States; while Japan's consumption zoomed from 100,000 barrels daily in 1950 to 3.7 million in 1970, and will about triple to 10 million in 1980. The hoped-for economic and social progress of developing countries will also depend upon accelerated oil consumption.

As for the supply of petroleum, world production parallels consumption. Western Hemisphere production about doubled, from 8 million barrels daily in 1950 to 18 million in 1970; whereas Eastern Hemisphere production increased about tenfold, from 2.1 million barrels daily to over 21 million. On the basis of present data, U.S. reserves have a life span of perhaps 12 years; that of the combined reserves of the Middle East and North Africa at least 60 to 70 years. The output of OPEC members was 22 million barrels daily in 1970 and their oil exports accounted for nearly 90 percent of total free world oil trade.

Despite discoveries in the North Sea, Far East and elsewhere, it is clear that the Eastern Hemisphere will continue to depend decisively on OPEC oil to meet mounting oil requirements. With its surplus productive capacity largely gone, the United States, too, will probably have to increase its oil imports. As of now, this country draws 55 percent of its total oil imports, equivalent to about 11 percent of U.S. oil consumption, from OPEC members, notably Venezuela. These figures could go up appreciably in the next ten years or so, even taking into account Alaskan production.

II

Within this context, the recent dramatic confrontations between the oil companies and the producing countries, which started in Libya last summer, assume great importance. In the short span of the 1960s, Libyan production rose from zero to almost 3.7 million barrels daily, rivaling the output of the leading Persian Gulf producing countries such as Iran and Saudi Arabia. The competitive urge among concession-holding companies to take advantage of the location and quality of their Libyan oil for European markets caused reserves to be rapidly drawn upon, as compared with major Middle East producing countries, apparently resulting in some overproduction of fields.

Europe looked upon Libyan oil as a valuable source of diversification, because of its west-of-Suez location—particularly

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after the 1967 closing of the Canal; and by 1970, about 30 percent of European oil requirements were being met from Libya. Whatever the tacit reservations of companies or European governments about the corruption of King Idris' administration, apparently they gave little forethought to the consequences of any radical change in the Libyan situation. And while the price had been in dispute during the period of the monarchy, the revolution, of course, profoundly affected government-industry relations. The companies' post-revolutionary offer of an adjustment of six to ten cents over time was not enough, although a somewhat more substantial offer of perhaps 15 to 25 cents probably would have been acceptable as late as the spring of 1970. During that summer various factors, including a break in the pipeline in Syria and a sharp increase in European demand for oil, abetted the attempt to coerce concessions from the companies. In addition, Libya cut back its production in the name of conservation and threatened to cut off totally companies that did not accede to its escalating demands.

Capitulation came in September 1970. The companies agreed to increase posted prices by 30 cents per barrel, with 2 cents per annum escalation through 1975, and generally greatly increased tax rates, ranging from 54 to 58 percent.

Inevitably, the very substantial price and tax increases were bound to become goals which other OPEC members not only aspired to but were compelled to emulate. What ensued was a crescendo of demands, backed by threats to withhold production from companies that did not acquiesce. In December 1970, Venezuela enacted an increase in its statutory tax rate from 52 to 60 percent, and in March 1971 substantial price increases were imposed.[1]

Against this background, an OPEC session convened in Caracas in December 1970 and set forth a broad range of demands, enjoining the oil companies to come up with an acceptable offer within a provocatively short period and threatening prompt joint action otherwise. With the scene shifting to Tehran, negotiations proceeded between OPEC and a joint industry group bargaining on behalf of all. By February 1971, the Tehran agreement was whacked out, under constant threat by OPEC of joint-

[1] It should be noted that the value of Venezuelan oil had in fact risen owing both to the advantage in location as tanker rates increased and to accelerated demand and price increases for heavy fuel oil in the U.S. market, especially in the latter half of 1970—which for one reason or another had scarcely, and then only belatedly, been reflected in Venezuelan f.o.b. prices and tax revenues.

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government legislative enactment of its demands and stoppage of production for any company that did not conform. Roughly, the posted price for Persian Gulf production was raised by 35 cents (compared with Libya's 30 cents), and would escalate thereafter by about 11 cents per annum through 1975. The tax rate was increased from 50 to 55 percent. The governments conceded that there would be no leap-frogging of Persian Gulf demands on the basis of the next round of negotiations for Mediterranean oil, and that the agreement would hold through 1975. Withal, it was publicly asserted by spokesmen of producing countries that the higher government payments need not require higher consumer prices, in view of product price increases already in effect; and it was implied that stability of tax arrangements would thereupon depend on the future course of world market prices.

Through all this, Libya was setting out a whole new set of demands (supported by the OPEC organization only to the extent that they conformed to the December resolution, but with less qualified backing from its various members). Finally, in April, Libya obtained a further increase in posted prices of 90 cents, to $3.45, with escalation through 1975,[2] and the Libyan tax rate was uniformly fixed at 55 percent plus some additional payments on retroactive claims.

It remains to be tested over time whether the agreements so painfully concluded will hold up.[3] Even though integrated earnings on Eastern Hemisphere operations have been long depressed, an upturn in world market prices and substantial increases in company profits or changes in the relative value of Western currencies, especially the dollar, could trigger renewed pressure from producing countries for increased per-barrel take.

III

The most obvious effect of the recent round of oil agreements is the striking increase in producing country revenues from $7 billion in 1970 to around $18.5 billion by 1975. (Without the new terms, OPEC members' oil revenues would have increased to $10 billion in 1975.) The impact upon consuming countries

[2] Of the increase, 25 cents was linked to the Suez closing and the tanker rates; that amount presumably may be rescinded in the course of time.

[3] Settlements with Iraq and Saudi Arabia over eastern Mediterranean exports are still outstanding at time of writing, with a sticky and potentially even unsettling issue of quality valuation raised by Iraq and also now posed by the OPEC Secretary General as applicable elsewhere in the Persian Gulf.

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will be correspondingly awesome. The cost of European oil imports amounted to around $9.5 billion in 1970; by 1975, the increased cost to Western Europe of the new OPEC settlements will be as much as $5.5 billion; for Japan the increase will be over $1.5 billion (the oil import bill was on the order of $2.5 billion last year). For the developing countries, whose oil import costs were around $2.1 billion in 1970, the cost of the OPEC advances will be about $1 billion for 1975; for these countries, the higher costs threaten to aggravate further chronic adverse balances of payment.[4] Unlike the industrialized countries which may at least expect some increased export trade with oil-producing countries and additionally substantial inflow of financial funds through their banking system, the less-developed countries will be hard put to offset the drain on their resources.

Patently, the economic terms of the world oil trade have shifted radically. And the occasion has been marked by an equally dramatic shift in the institutional and political positions of the industry, and of producing and consuming countries. The question now arises, what should or can constitute a Western oil policy? The major concern is oil availability—on acceptable commercial terms, strategically secure and not subject to political blackmail. These require bargaining leverage and countervailing power.

Concessionary arrangements and international agreements can be depended on as long as all parties are convinced that they serve their interests, and that a breach would be more harmful to their side than to the other. For example, a producing government will be less prone to impose unreasonable demands upon oil companies or to threaten expropriation if the turmoil of a confrontation might threaten its régime; more secure governments may be less inhibited. Again, if a producing country can only afford a relatively short interruption of its oil revenues, while consuming countries can survive an oil embargo for a longer duration, the oil embargo will probably not be used as a weapon.

Despite their new position of power, the attitude of the oil-

[4] In this respect, it is noteworthy that the agreed escalation of posted prices through 1975 was related to OPEC complaints that the international purchasing power of their oil revenues was eroded by persistent inflation in the prices of industrial goods which they have to import. Now oil-importing developing countries face the prospect both of higher prices for manufactured imports and for oil imports—a depressing outlook for the poor developing countries as compared with the oil-rich "developing" countries.

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producing countries still reflects a lingering heritage of emotional resentments against former colonial administrations and concessionary circumstances.

OPEC was established in 1960 to protect the member governments' oil revenues against erosion, when declining competitive oil prices were threatening further to pull down posted prices on which taxes were calculated. OPEC did succeed in preventing further cuts in posted prices; and in 1965 it won a relatively modest improvement in tax arrangements. Interestingly, the companies then argued and OPEC accepted that the full burden of the new arrangements was more than the industry could bear all at once; a time schedule for effecting the new arrangements was agreed upon, reducing the immediate impact from about 11 cents per barrel to half of that.

Since then, however, the margins of profit of oil companies in the Eastern Hemisphere have continued to narrow, and rates of return are now barely in line with competitive rates in other industries, or with the capital requirements to meet rapidly expanding oil consumption. The producing countries now appreciate that they are no longer bargaining for a share of profits; they are now weighing in on world oil prices. By raising tax-paid costs, they leave it to the industry to look after its profitability. Although statements of producing governments made in Tehran are meant to reassure consumers that the recent settlements do not require higher prices, there can be no question but that the increased cost of oil payments to producing governments will eventually have to be reflected in consumer prices.

OPEC's agenda for the future, laid down in its Declaratory Statement of Petroleum Policy of June 1968, includes: (1) a program of relinquishment of concessionary acreage, with government role in selection; (2) tax rates and tax-reference prices to be unilaterally determined by governments; (3) participation of the producing country in existing concessions, justified by *clausula rebus sic stantibus,* that is, by reason of a fundamental change of circumstance.

Of these, the last—participation as a device in lieu of nationalization—is potentially the most threatening. "Participation" is a grand design not only to effect a more active and direct role in world oil trade for the producing countries, but in the thinking of the Saudi Arabian Petroleum Minister at least, to bind the interests of the oil companies with those of producing countries,

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to prevent competition among producing countries and companies as sellers in the open market and make it difficult for any producing country on its own to insist on an abnormal increase in production.

In any such partnership arrangement with a producing country, the oil companies would be destined to become completely subservient to their host government, as somewhat ironically is now happening to the French oil interests in Algeria. Major producing countries already have direct access to their own production, through joint ventures, etc., and the volumes will undoubtedly increase over the years ahead. There is nothing to prevent them from actively entering into world oil competition and from integrating downstream by investment in tankers, refineries and marketing. But this is precisely what many of the countries do not want—to compete. Participation is a device to achieve all these objectives without competing; or to put it bluntly, to restructure the oil trade so as to give expression to producing country interests through the good offices of the oil companies.

Even if the participation issue does not come to a head in the near future, it could become pressing by the latter 1970s. The Shah insists that the Consortium rights will terminate in 1979, ignoring company options to extend the duration. If Iranian participation in the Consortium should then be imposed, Saudi Arabia and others will surely not be far behind with their demands. Many of the large concessions in Venezuela expire in 1983–84 and here, too, alternative arrangements will have to be worked out.

IV

A major decision that the oil companies will be facing over the years ahead is to what extent and for how long they can be held hostage by their resource interests in producing countries. Will they, together with consuming countries, be able to moderate the ransom; or, alternatively, would it be better to abandon the hostage?

Meanwhile, what is important for the long run is not so much *what* the producing countries wrested for themselves, but *how*. The political effectiveness of OPEC unity, of unilateral action and of the threat of an embargo—these are the realities to which companies and consuming governments must now begin to address themselves.

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The companies now find themselves in a very real bind. How far can the industry resist the pressures of producing countries? To what extent can the industry expect to recoup its higher costs in consuming countries? And since "industry" is really only a catchword—made up of an increasing number of commercial, governmental and quasi-public entities based in an increasing number of countries—how do the oil companies as a group define their self-interest and go about pursuing it?

Called to Tehran to negotiate OPEC demands, the oil companies involved tried to take a common approach. The companies posited all-embracing representation for the company side and requested simultaneous settlement with all member governments as an essential condition of negotiation. This was a complete reversal of the company position in previous OPEC negotiations in 1965, when the OPEC representative was held by the companies to speak only for his own government (Iran); the reason now, of course, was the immediately preceding experience of having been whipsawed by Libya.

In fact there could be no universality on either side. Even among American producing companies, some did not align themselves, having diverse problems in their arrangements with producing governments; Arabian Oil (Japanese), ELF-ERAP (French) and ENI (Italian) were also conspicuously absent. On the other side, it was soon clear that governments controlling Mediterranean oil would not agree to be bound by a Tehran settlement for Persian Gulf oil. Neither would Indonesia; and Venezuela had legislated her own settlement in any case.

As noted, tax settlements tend now to be reflected in market prices, but the question is always, how soon and to what extent? Competition in oil, as elsewhere, can work either way—competitively to weaken prices or competitively to strengthen prices. The latter occurs when cost increases are made to apply generally to the whole industry, hence, the natural concern of oil companies that all of them be uniformly exposed to higher tax costs.

The oil companies also have ultimately to consider that if producing countries withhold production from "recalcitrant" companies and if the resulting shortage of oil supplies becomes unduly onerous for consuming countries, the latter may in time feel compelled to accept the producing countries' invitation to come and purchase the oil, bypassing the companies entirely. In

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a crunch, neither oil company control over tankers nor refineries could be pivotal; these would be mustered into service if consuming governments as a matter of policy decided that a breakdown of negotiations was threatening intolerable economic consequences for their nations. And even the parent governments of the oil companies could not effectively object without jeopardy to the Western alliance.

Therefore it has to be at least considered whether the ultimate riposte of the industry—faced with "impossible" demands and backed by consuming countries—may be to turn away from their reserves and reappear as competitive buyers of crude from the producing countries. From the company standpoint, its purchasing power would derive from past investment in and current control over transport, refining and marketing facilities—the power to dispose. And they could expect that producing countries eventually would compete for export volume since captive concession-holding companies would no longer be at their behest. For established major oil companies, the crux would be the loss of control over reserves. Downstream position, historically, has been related to preëminence in resource position. If that is replaced by a bargaining situation, with all buyers haggling over crude price advantage, it is doubtful that refining and marketing shares will remain as is. While efficiency in refining and marketing could be expected to count, the companies will probably still prefer to hold on to the competitive edge of "low-cost" reserves as long as possible, no matter how high the producing governments may push up that low cost.

How to balance risks and interests in producing versus consuming countries? The refining and marketing investments of companies in oil-consuming countries tend to be regarded as much safer than their resources. In the circumstances, the oil companies may naturally be inclined to be more yielding to producing countries' demands so as not to jeopardize their irreplaceable resources.

The companies have normally been disinclined to invest in capital-intensive, low-profit, oil-related enterprises (such as petrochemicals) in producing countries; such investment does not readily achieve a competitive market position and is further tied to one unique resource base in an unstable area. Withal, the companies are increasingly pressed to commit part of their operating profits not only to these but to projects of general social

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or economic interest to the producing country and not directly related to the companies' business activities. There is an obvious financial risk in making the investment, but perhaps a greater risk to their concessionary position if they do not.

Then the companies must balance short-term competitive interests against longer-term appreciation of company/government relations in negotiating concessionary terms. If a company can obtain especially favorable terms it will find it difficult not to accept them—since competitors may seize the opportunities it has refused—even if the opportunity results from ignorance or corruption on the part of local officials. But taking such an advantage might prolong the heritage of ill will with which the industry has already to cope. Considering past experience with the unilateral imposition of more onerous terms in so many countries, the companies are apt to be reluctant to agree to more generous terms, except under governmental pressure or threats. This might be so even if changing circumstances make adjustments reasonable and equitable.

The companies must also try to reconcile commercial criteria with the pressures from both producing and consuming governments everywhere for them to identify with each one's national interest. Realistically, their various affiliates are often among the largest corporate entities in the countries where they operate, and of overwhelming importance for energy supplies, foreign exchange balances, budgetary revenue and industrial activity. Obviously the company's and the nation's interests cannot always be wholly reconciled; and lip service has often to be paid to the company's constructive national role. In a crisis situation, the company may then be charged with deceit as well as activity contrary to the national interest.

In the long run, however, much as the short-run interests of oil companies may seem to be allied with producing countries, it should now be recognized that their position as an internationally integrated private industry depends on a closer relationship and better understanding with consuming governments. Obviously, the consuming countries are apt to suspect the companies of being too much concerned with protecting their positions in producing countries. To establish confidence among consuming countries, these should be involved on a continuing basis with company actions relevant to them. In the past, consultations have taken place so late in the day that op-

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tions are few, and the time when government policy might weigh in the balance has largely passed.

V

Despite the great efficiency and impressive results of the international oil industry's management of its affairs in the past, the present attacks on its fundamental position make a frank analysis of past actions and future prospects utterly necessary. What went wrong and why? This is not only essential to the continued effective performance of the industry, but for the security of the Western world which so intimately depends on the uninterrupted flow of oil.

Such is the challenge which the top management of the companies and the governments of the consuming and parent countries must squarely meet, indeed, cannot possibly avoid. The international oil industry functions effectively by virtue of its private competitive strength. Nevertheless, because of its massive impact on the economy, security, and foreign relations of its parent countries and the producing and consuming countries where it operates, it must also cope with the difficult challenge inherent in its involvement in and responsibility to diverse public interests. This was highlighted in the Tehran and Tripoli negotiations, when most of the oil companies with foreign oil production decided to negotiate as a group with the OPEC producing countries as a group, on matters that would vitally affect the tax-paid cost and oil supplies of about every oil-importing country of the free world.

As oil progressively replaced other energy, notably coal, in the postwar period, Western oil policy could be stated simply: to obtain as secure a supply of imported oil at as low a cost as possible. But relatively little was done to implement those objectives by many governments whose countries were most dependent on imported oil. Rather, it was left to the industry—particularly the major international oil companies—to effect. And this the industry did, over many years, by virtue of competition and diversification.

The assurance of inexpensive and secure oil supplies is now cast in doubt by recent events. But the sole responsibility can hardly be laid upon the industry; consuming countries must bear a large part of the onus for their present exposure. Remember that the initial impetus to the 1970–71 events was Libya's

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unilateral demands on the oil industry. And Libya's ability to impose her conditions reflected not only the unique circumstances of the time, but the progressively increasing dependence of Europe on Libyan oil—accepted without demurrer or provision for alternatives by the governments most concerned. Now consuming countries are provoked to ask what counterbalance they have to the increasingly effective posture of producing countries and what influence they really have through the oil companies in negotiations with producing countries.

The U.S.-Canadian situation is somewhat different from that of other consuming countries whose dependence on imported oil seems to be unavoidable. The United States must now be convinced that control over oil imports and support for indigenous energy resources is vital to its security and credibility as a world power. If implemented, the recommendations of the Cabinet Task Force on Oil Import Policy—to replace the present import control system by a tariff system and allow domestic crude oil prices to decline so as to take economic advantage of low-cost foreign oil—could have been a disaster.

The issue was, and is, not higher imports and lower oil prices, as so often bruited. This nation can and probably will accept higher import volumes. How domestic oil prices may work out over the long run, compared with foreign oil prices, will still depend largely on the costs of developing North American energy supplies. The issue is whether we are prepared to expose ourselves to undue dependence on insecure oil imports, or whether we will keep import volumes under restraint and foster a domestic energy environment with adequate incentives to continuing exploration and development. If we choose the latter, our import requirements during the next five to ten years should not exceed danger levels. Frontier areas such as Alaska and offshore hold out great promise. A mutually advantageous and dependable arrangement with Canada should be possible. And we can reasonably count on substantial supplies from other Western Hemisphere sources, despite recent problems and irritations in various countries.

Moreover, an accelerated atomic energy program will make a rapidly increasing contribution to our power supplies. With some governmental inducements of manageable proportions, we could develop a sizable hydrocarbon production based on the huge coal, shale and tar sand resources of North America.

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Within the foreseeable future, to which current planning would reasonably be directed, there thus need be no danger that the United States would become unduly dependent upon insecure sources for its oil supplies.

Other consuming countries, notably Western Europe and Japan, but also developing countries have an even more urgent need to reassess their positions. In spite of promising developments in the North Sea and expanded exploration in other areas, most consuming countries of the Eastern Hemisphere will not be able to avoid continued dependence upon imported OPEC oil for the foreseeable future. And with oil reserves so heavily concentrated in a handful of developing countries of North Africa and the Middle East, it is inevitable also that these countries will use to the utmost their control over the resources—certainly for their economic advantage, but also where possible for political purposes.

In this connection, the role of the Soviets is also of concern. Basically, the Soviets will be able to obtain the oil they need from their own sources. Nevertheless, in their present position as a world power, the Soviets will almost inevitably insist on a presence in the eastern Mediterranean, Persian Gulf and Indian Ocean. They will not, however, be able to take over the constructive role of Western oil companies in developing and marketing the production of major Middle East oil concessions; nor would the Arabs want them to. They will instead offer technical and financial assistance to willing Arab recipients, and deal for limited volumes of oil in repayment of loans, or otherwise largely in barter transactions. Their main objective thereby will be to support their overall power position, undermine Western standing in the area and fortify nationalistic groups hostile to the West. Their physical or political ability to interfere significantly with the actual flow of oil will depend on the broad balance of power between the United States and the Soviet Union, but any interference that would really jeopardize Western oil security might risk a big-power confrontation that all parties, on the evidence, are trying to avoid.

A more effective relationship with the industry is essential to the longer-run interests of all consuming countries. Their governments have already indicated that they intend to involve themselves with many aspects of company operations within their countries, including the relationship among the industry's

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costs, taxes, prices and profits. An example is the new Common Market policy to obtain information regularly on the oil industry's supply and investment programs.

From the standpoint of security, there is a range of policies that will be considered or reconsidered. It is questionable whether the industry alone can provide security through its diversification of oil sources or whether policy guidelines may not have to be laid down by the countries most concerned in order to prevent risky over-dependence on any one or few particular sources of supply. A proposal is already pending before the Common Market which would give it the right to exercise surveillance over proper diversification of supplies.

As a practical matter, probably the most persuasive undertaking of consuming countries to protect their interests would be increased mandatory stockpiling. During the 1970 crisis, Europe had only some 60 to 65 days supply at hand (which has now been raised to a target of 90 days); Japan and the developing countries had even less. Realistically even a 90-day stockpile begins to lose its assurance after 20 to 30 days of withdrawal have taken place. More ample stockpiles will probably be required if they are to have any real security value in improving the bargaining position of both countries and companies. The cost of such stocks would be very high indeed, but experience has shown that the cost of exposure could be even greater.

Costs of storage facilities, beyond normal commercial requirements, might properly be charged to the country concerned. On the other hand, it would not seem unreasonable for the industry, which would also benefit from stockpiling, to supply storage at cost and to forgo any profit margin unless and until the oil supplies enter into consumption.

Similarly, the countries should investigate the adequacy of tanker tonnage available to them, under abnormal as well as ordinary supply conditions. One approach, possibly more appealing in terms of national control than meaningful in security of supply, would be for operating affiliates to own or charter their tankers—not necessarily under their own flag. The tanker situation may well go through full cycle over the five odd years ahead. Major new pipelines and expansions are projected from the Persian Gulf to the eastern Mediterranean, notably by the U.A.R., Israel and Iran. The added pipeline capacity would ease tightness of tanker tonnage commensurably. But in due

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course, oil companies will have to align their tonnage to their reduced transportation requirements to maintain competitive efficiency; and thereafter, if the pipelines are disrupted, tightness in tankers could again cause a crisis in oil delivery. The challenge for the industry and for consuming countries will be to prevent dissipation of tanker tonnage and to conserve sufficient transport capacity against another future emergency.

Meanwhile, consuming countries should again consider the importance—economically and strategically—of indigenous energy sources. The exploration and development of oil resources in "safe" areas such as the North Sea will be pushed to the utmost. Nuclear power will look better; so will even neglected coal. And while no single energy source by itself is likely to alter dependence on imported oil, taken together they may somewhat reduce the degree of dependence and the margin of risk. So long as oil flows are threatened by unstable terms of trade or political interruptions, consuming countries are likely to evaluate these various alternatives on a new cost-benefit basis, where the costs may now appear less onerous and the benefits more imperative than heretofore.

Some consuming countries may also be tempted to embark on an independent course that would bypass the "uncertain" role of the internationally integrated industry: on the one hand, by stepping up protection of their national oil companies in internal refining and marketing; on the other, by increasingly supporting and subsidizing their own companies in foreign exploration and development. Neither has been notably effective where attempted. The difficulty with government sponsorship, protection and subsidy is that they sap the competitive thrust; once government-supported undertakings have been embarked on, there is a tendency to impose the consequences upon the country's economy rather than to write off unattractive ventures, as a commercial enterprise would be forced to do.

Further, various consuming countries may be enticed into attempting direct oil negotiations with producing countries. OPEC and the Organization of Arab Petroleum Exporting Countries (OAPEC), its wholly Arab offshoot, have put out this siren's lure. And the attraction is reflected in a recent statement by a Spanish government official. He complained that consumer countries were not represented in the Tehran negotiations and warned that Spain would try to get more oil through official

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agreements with Middle East and North African governments —thus bypassing the companies—and pay with increased exports to those countries. However, it must be appreciated—emotional responses to 1970–71 notwithstanding—that direct negotiations between consuming and producing governments have not been attractive either as to terms of trade or security of supply, as witness the experience of France with Algeria. Further, there would always be the danger in such negotiations for otherwise commercial differences to devolve into political confrontations between governments—which could be doubly disruptive to the vitally important oil trade.

For the industrialized oil-consuming countries, there is, however, the possibility of developing closer overall economic ties and thereby a hopefully stabilizing community of interest with producing countries through acts of association, as contemplated by the Common Market. The rapidly increasing oil revenues and accumulating financial reserves of major producing countries already vest them with an interest in the stability of international trading and financial arrangements. To the extent that industrialized countries may step up investment in the economic development of oil-producing countries, relations between the two groups may be conducive to a better balance in the negotiating position of the industry; and producing governments may become less prone directly to confront industry and indirectly to put to consuming countries take-it-or-leave-it demands.

The French, of course, have not had a happy experience in their economic association with Algeria; however, special circumstances there have been operative. And it would be ironic if industrialized countries were to direct a substantially increased proportion of investment for development to those countries that are already best off owing to their oil resources. None the less, a strengthening of two-way economic ties between industrialized oil-consuming countries and developing oil-producing countries may be a positive factor in the future direction of international oil trade relations.

In the final analysis, it would appear that despite repeated crises and uncertainties the internationally integrated oil industry will continue to play a pivotal role: in linking relatively distant producing centers with widely dispersed consuming areas; in linking the present with the future through technology and risky exploration efforts in many areas, as well as through

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huge worldwide investments in facilities; and by providing a firm basis of commercial decision-making in the politically fraught world of oil. The shape of the industry will surely be changing with the advent of more companies and with a broadening of national origins in both consuming and producing countries. Most importantly, industry will be dealing with a much greater degree of involvement on the part of consuming (as well as producing) countries in oil operations that affect their economy and security.

The challenge of today's stark realities is whether, at a time when producing governments are weighing in so heavily to further their own interests, the oil policies of Western governments can help restore a more viable balance among all factors, thus providing the consuming countries with reasonable assurance of security of supply on manageable terms.

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THE NEW BALANCE OF POWER IN ASIA AND THE PACIFIC

By Hedley Bull

IN the 1950s a balance or pattern of power grew up in Asia and the Pacific, the central feature of which was the conflict between the Sino-Soviet bloc and the American alliance system. It is obvious that this pattern has been disintegrating in the course of the last decade, and that in the 1970s it will be replaced by something quite new. What this new balance will be we cannot say with any assurance, but certain propositions may be tentatively advanced.

The new balance will rest primarily upon an equilibrium among three great powers—the United States, the Soviet Union and China—and the principal uncertainty is whether they will be joined by a fourth, Japan. Each of the three present great powers gains from the conflict between the other two (although only up to a point: it is unlikely that any of them wishes to see the others embroiled in a nuclear war). Each fears that the other two will combine against it. Russia and China express this fear of collusion in strident terms; while the United States does not voice its concern in any comparable way, it does not wish to see a restoration of Sino-Soviet solidarity.

In fact, the tensions on all three sides of this triangle seem likely to persist and to exclude an enduring and comprehensive combination of any two against the third for the foreseeable future. A Sino-American understanding has been made more likely by the evident willingness of the Nixon Administration to seek an improvement in relations with China, and the presumed interest of China in influencing United States policy against an understanding with Russia; moreover, the disengagement of the United States from mainland Southeast Asia will remove one important source of friction. But the intractable problem of Taiwan is sufficient by itself to prevent a general rapprochement for many years.

A Sino-Soviet understanding might be facilitated by changes of régime in Moscow, Peking or both, but the border dispute is likely to outlive particular governments and the ideological claims and counterclaims of the last decade to leave a legacy of bitterness. The restoration of a working partnership between

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Russia and China on particular issues is a real possibility, but it would not be a return to the close-knit alliance of the 1950s; for the present the relationship between Russia and China remains the principal point of friction among the great powers.

The Soviet-American side of the triangle, unlike the other two sides, already rests upon firm foundations of mutual understanding. The United States and the Soviet Union recognize common interests in the avoidance of nuclear war, and are involved in an extensive network of negotiations covering SALT, Berlin, the Middle East and many other issues. They have developed a habit of tacit coöperation in relation to China on the Indian subcontinent, in relation to non-nuclear nations in the context of the non-proliferation treaty and in relation to economic have-nots in the context of the United Nations Conference on Trade and Development. But the Soviet-American relationship does not contain the makings of an alliance directed against China, still less of a system of joint hegemony or condominium designed to preserve their privileged position against all comers. The United States and Russia each values China as a check on the power of the other, as the Americans demonstrated by their neutrality in the Sino-Soviet border dispute and the Russians by helping to defend China's strategic frontier in North Vietnam. The United States and the Soviet Union by virtue of their strategic preëminence still have more to fear from each other than from any third party; if it is the Sino-Soviet relationship that is the principal point of *friction* among the great powers, it is the Soviet-American relationship that remains, in Stanley Hoffmann's phrase, the relationship of major *tension*.

Changes in the pattern of relations among these great powers are possible, even likely, especially in the relationship of China to each of the others. Even a partial mending of the fences between China and the Soviet Union, or between China and the United States, might have major consequences for the area as a whole. But these changes are likely to take the form of limited coöperation for particular purposes and to fall short of any general alliance. They are also likely to be unstable in nature. Whatever proves to be the pattern of power relationships, it is unlikely to reproduce the stable alliances and antagonisms of the cold-war period, the sources of which lay in conditions—the polarization of power and the ideological schism—which have long been in decay and may soon disappear altogether.

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II

The position of the United States in the Asian and Pacific balance is also likely to decline drastically. In the 1970s America's military capability to exert influence in the area will be qualified by a number of factors that have not operated in the past: the achievement by the Soviet Union of parity with the United States in strategic nuclear arms; the presence of significant Soviet naval power in the Indian and Pacific Oceans; the emergence of China as a strategic nuclear power; and the emergence of Japan as a potential military great power.

To this decline in America's military ability to sustain the role she has played in the past there must be added a no less striking decline in her will to sustain it. Three years ago it was possible to argue that after the United States completed her withdrawal from mainland Southeast Asia this would not necessarily lead to an abandonment of other positions in the area. On the contrary, the result might be a reinforcement of them; the new American policy would be not so much a retreat as a strategic withdrawal to defensively superior positions on the Asian periphery; Walter Lippmann, for example, argued in favor of an American redoubt in Australia. It is now clear that America's withdrawal from Indochina will not be accompanied by new commitments or deployments elsewhere; on the contrary, the pattern of American force deployments in Japan, Okinawa, Taiwan, Thailand, Korea and the Philippines is already one of reduction.

The pattern of United States withdrawal, indeed, is not local or regional but global, although Europe has so far been less affected than other areas. Moreover, it reflects loss of confidence in the ends of United States foreign policy as well as in the means. This is why the present revulsion against the Vietnam war is not comparable with the revulsion against mainland Asian involvement that followed the Korean War, a revulsion that brought with it only a resolve to change the means by which America's purposes in the world were pursued, from local conventional action to global nuclear. Since the time of the Truman Doctrine the United States has been viewed by its leaders, rightly or wrongly, as a country dedicated to resistance to aggression and to the containment of communism on a global scale. These goals are now rejected by large sections of American public and Congressional opinion.

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It is true that the United States will remain vitally interested in the global balance of power, and therefore in its relations with Russia, China and Japan. But concern for the global balance of power does not necessarily require United States intervention to resist aggression or to contain communism in particular areas. The American interventions in Korea and Indochina were motivated not only by concern about the global balance but also by those legalistic and ideological purposes which are now losing their grip on the American public mind.

The Nixon Doctrine, however, seeks to preserve the essentials of the older policy while taking account of the new public mood. As President Nixon stated in his report to Congress of February 18, 1970: "The United States will keep all its treaty commitments. We shall provide a shield if a nuclear power threatens the freedom of a nation allied with us, or of a nation whose survival we consider vital to our security and the security of the region as a whole. In cases involving other types of aggression we shall furnish military and economic assistance when requested and as appropriate. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense." In his report to Congress of February 25, 1971, President Nixon claimed that the operations in Cambodia and Laos, conducted with American military assistance but without American ground forces, are a concrete illustration of the principles of the Nixon Doctrine.

The new formula, however, cannot disguise the fact that United States policy is undergoing a change not merely of means but of ends. It now seems likely that the United States, unconvinced that the global balance of power is at stake, will be prepared to allow aggression to succeed, and communism to expand, in Indochina and possibly in other areas of Asia and the Pacific, rather than intervene directly to prevent it. Treaty commitments may be kept as Britain, France and Pakistan may claim to have kept their commitments under the Manila Treaty. But how will they be interpreted? A nuclear shield will be available; but how credible will its use be after China has developed an intercontinental ballistic missile (ICBM) capability? What if, in cases of conventional aggression, the country directly threatened is not able to meet the challenge? The withdrawal of American forces will be a fact, whereas "local self-reliance" will be merely a hope; "the Vietnamization of the war" may or may not enable

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a non-communist government to survive in Saigon, but in either case the American forces, once they have gone, will not return.

The Nixon Doctrine, moreover, is not a sacred text defining the possibilities of American involvement for all time, but merely a milestone on a road that may lead to more radical disengagement. The authors of the Doctrine are men reared in the older tradition of postwar American foreign policy, fighting a rearguard action against new trends. It is not clear, in particular, that an enduring consensus will emerge within the United States in favor of the formula, at present being applied in Laos and Cambodia, that substitutes for direct U.S. intervention military assistance to local troops, including air support. This is a formula that carries for the United States the risk of wider involvement, while its chief rationale—the protection of U.S. ground forces withdrawing from South Vietnam—will not outlast the completion of their withdrawal.

III

In the course of the next decade a strategic nuclear stalemate or relationship of mutual deterrence is likely to develop between China and the United States, and between China and the Soviet Union. Indeed, in view of reports that a limited deployment of Chinese medium-range ballistic missiles (MRBMs) has already taken place, China may well be able to threaten the Soviet Union, as well as U.S. forces in Asia. It is true that when China develops its ICBM force there will be some who will say that it will be unable to penetrate Soviet and U.S. anti-ballistic missile (ABM) screens, and that the United States and the Soviet Union will each still be in a position to eliminate or cripple the Chinese strategic nuclear force in a disarming strike. But China will be able to create sufficient apprehension in Soviet and American minds as to her capacity to retaliate effectively to bring to an end the situation in which each of the superpowers has felt confident that it can make nuclear threats against China with impunity.

By any of the various yardsticks of nuclear strength, China will not in the foreseeable future command "parity" with the superpowers. Nor should it be assumed that in bargaining with them in a crisis situation China will necessarily be able to make up by superior will or resolve for her inferiority in strategic capacity. Nevertheless, the Chinese nuclear force will be a new source of strength to China's diplomatic position. Moreover, it

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will help further erode confidence in the reliability of American commitments to allied and friendly states, and strengthen the forces making for proliferation in India, Japan and Australia. Just as in Western Europe in the late 1950s the emergence of a Soviet-U.S. nuclear stalemate led to the raising of questions about the credibility of American nuclear threats on behalf of allies, so in the Pacific in the 1970s the emergence of a Sino-American nuclear stalemate will pose the same questions. In Europe the American alliance has survived despite these questions; the same may obtain in the Pacific. Nor will the Chinese nuclear force be sufficient in itself to cause countries in the area to seek to acquire nuclear weapons: too many other factors are involved in the debate about nuclear weapons in each of the countries concerned. But in each of these countries the hand of the pro-nuclear party will be strengthened.

The United States itself may come to revise its attitude toward nuclear proliferation in the area, as it balances the costs of the latter against those of continued nuclear commitment. "Local self-reliance," taken to its logical conclusion, implies the existence of independent nuclear capabilities. For the present the United States remains opposed to the spread of nuclear weapons and has made clear that disengagement does not include withdrawal of the nuclear umbrella. But the nonproliferation treaty does not enjoy the status, in the hierarchy of American priorities, that it had under the Johnson Administration; and pressure on non-nuclear countries to adhere to it has been relaxed along with America's "tutelary" role. No Asian or Pacific country bent upon the acquisition of nuclear weapons is likely in the near future to receive encouragement from the United States, but such a country might already be justified in concluding that if it were to "go nuclear" the United States would accommodate itself to the situation soon enough.

IV

By the end of the decade the Asian balance may be further complicated by the emergence of Japan as a fourth great power. Already Japan's position as the third richest country in the world has brought with it an increased political stature: certainly the agreement of the United States to the return of Okinawa and the generally more independent stance of Japan within the framework of the Japan-United States security agreement

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reflect this increased bargaining power which derives from the recognition of economic potential. Even if Japan's growth rate does not average over 11 percent in the next decade, as it did in the last, Japan's economic position relative to other major states is likely to go on improving. Moreover, even if defense expenditure were to be no more than about one percent of GNP as envisaged in the Fourth Defense Build-Up Plan for 1972–76, Japan's likely rate of growth will ensure very substantial absolute increases (the expansion of the Self-Defense Forces over the last decade has actually been accompanied by a decline in defense expenditure as a proportion of GNP). A number of factors make for the treatment of defense as a higher priority: the reëmergence of nationalist feeling, the growing importance in Japanese life of a generation less affected by the memory of defeat, the emergence of defense as a subject of public discussion and study, and the actual problems of security posed for Japan by the disengagement of the United States, the nuclear armament of China and the growing Japanese economic stake in other parts of the region whose security is in doubt.

But if by a great power we mean—following Ranke—a country that can maintain itself against any other single power without allies, Japan is not yet one. Nor can she become one without acquiring the military accoutrements of a great power, which at the present time include a strategic nuclear force. In his address to the United Nations in October 1970, Japanese Prime Minister Eisaku Sato said that whereas history had shown that countries with great economic power were tempted to possess commensurate military forces Japan had no intention of using any major portion of its resources for military purposes; in a speech to the Diet in November the same year he spoke of Japan's path in this respect as "a completely new experiment in world history." The idea that Japan can be such a new kind of great power may be thought to chart a wise and prudent course for Japan, and even to contribute a constructive precept to the international debate. But there is no reason to believe that Japan, or any other country, can attain the status of a great power without providing itself with the military means that have been a necessary condition of such a status in the past.

It is true that military force as an instrument of foreign policy is now circumscribed by powerful inhibitions and is of diminished utility in relation to some of the ends, such as the promotion

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of economic gain, for which it has traditionally been employed. It is also true that questions of trade, aid, investment and multinational enterprise now occupy a large place on the agenda of diplomatic discussion, and that Japan's position as an economic colossus places her at the center of this discussion. Finally, it is true that Japan's economic strength provides her with powerful leverage in dealing with other countries over a range of non-economic issues.

But Japan, while she retains only her present armed forces, cannot guarantee her own security and enjoys only that amount of freedom of diplomatic manœuvre that is consistent with reliance upon the United States. Japan does not now perceive any direct threat to her security. But if this were to change, her position of dependence would quickly become apparent. Nor can Japan, simply by relying upon economic strength, play the role of a principal party in the range of politico-strategic issues in dispute in the area, even those—such as the future of Korea and Taiwan—that vitally affect her. The political stature that Japan has already attained, moreover, does not derive solely from her economic performance: it reflects other countries' assessments of Japan's potential military power—their knowledge of the speed with which Japan could become a great military power and memory of her past performance as such.

It is not inevitable that Japan will elect to become a great power, in this decade or later. Japanese leaders are well enough aware of the opposition that would be generated in the area and the problems that would be created for Japan in her economic as well as political relations with other states by a premature move in this direction. Nor is it worth speculating as to how, in detail, if Japan were to become a great power, this would affect what would then be the quadrilateral of great-power relations in the area. It is clear, however, that in the calculations of foreign offices in the area the possibility of Japan's emergence as a major political and strategic as well as economic force there is already taken very seriously into account.

V

The middle powers of the region, to different degrees and in somewhat different ways, are likely to view their own interests as best served by the preservation of an equilibrium among the three or four great powers. They are likely to feel threatened

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by the domination of the region by any one great power, and to regard some measure of checking or balancing of each by the others as the condition of their own security and freedom of manœuvre.

Take the case of Australia, which in the past 20 years has seen its interests as lying in the maximization of U.S. presence and influence in the area and the minimization of that of Russia and China. In August 1969 the Australian Minister for External Affairs at that time, Gordon Freeth, made a speech about Soviet penetration of the Indian Ocean in which he argued that the Soviet presence was not necessarily prejudicial to Australian interests, that Australia and the Soviet Union had common interests in the containment of China, and that there might even be opportunities for coöperation. Freeth was at once subject to a storm of criticism, not only from those on the Right who reasserted the conventional view that the encroachment of any communist state was necessarily menacing to Australia, but also from those on the Left who objected to what they took to be an attempt to align Australia with Soviet hostility toward China. It is a testimony to the continuing strength in Australia of the older perspective that the government found it necessary to disavow the foreign minister's speech and that, partly because of the views he had expressed, he lost his seat in the general election later in the year.

It may be argued not only that the new perspective suggested by Freeth is the correct one but also that it is likely to become part of the orthodox Australian foreign policy of the future. The point, however, does not concern simply Australia's interest vis-à-vis the Soviet Union but is a more general one. China, Japan, and indeed the United States are also likely to be assessed by Australia according to the contribution they make to the equilibrium among the great powers of the area, the effect of their presence or influence in checking the encroachment of the others. Australia, of course, will not regard the competition of the great powers as if it were indifferent to the outcome. As an ally of the United States, Australia will continue to consider that its interests are bound up with a continuing American presence and influence, in a way in which they are not bound up with the political fortunes of the others. But Australian assessments will at least include the recognition that *any* of the great powers is capable of contributing positively to the equilibrium or balance

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of the area. This is an element that was not present in Australian thinking of the previous period.

The same theme may be illustrated with reference to Indonesia. Indonesia under its present government is absorbed in economic reconstruction and pursues a very correct policy toward its neighbors. But the ambition to assert leadership within peninsular Southeast Asia is still an aspect of its foreign policy, reflected in its sponsorship of the Association of South East Asian Nations (ASEAN), from which powers external to the region have been excluded. Indonesia has a naturally dominant position among the states of peninsular Southeast Asia, but this could be threatened by the encroachment upon the area of China, Japan, the Soviet Union or the United States. Given that the influence of these powers cannot be excluded from the peninsular region, Indonesia's perceived interests are likely to lie in a situation in which no one of them achieves a preponderant position.

Equilibrium among the great powers depends on the existence of conflict among them; it can be threatened in certain cases by understandings among the great powers bringing this conflict to an end in particular areas. An understanding between the United States and China might have grave implications for Taiwan, South Korea and the non-communist states of Indochina. A rapprochement between China and the Soviet Union might deprive India of its chief prop against China, and might be regarded as potentially menacing by Japan as well. An understanding between the United States and the Soviet Union, so long an objective of India's foreign policy in the era of Nehru, has in fact weakened India's diplomatic position now that it has come about. India's increased dependence on the Soviet Union for security against China, at a time of declining U.S. interest in the subcontinent, has provided India with a new motive for seeking a settlement with China, as well as for forming closer relations with middle powers in the Asian and Pacific region.

VI

Finally, the American alliance system in Asia and the Pacific is likely to continue to decay. But it is unlikely to be replaced by a new alliance of regional powers along any of the lines that have been suggested. The true theme of international politics in the area is likely to be that of self-reliance. With some exaggeration it may be said that the situation is like that which Canning de-

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scribed when, at the time of the breakdown of the Holy Alliance, he wrote: "Things are getting back to a wholesome state again: every nation for itself and God for us all."

Though it does appear to be in decay, the American alliance system in Asia and the Pacific does not seem likely to disappear in the next decade. Within each of the alliances linking the United States to a country in the region there is a diminished sense of community of interest, a tendency on the part of the regional country to question the value of the American commitment, reinforced by a tendency on the part of the United States to question the extent of the present commitment, if not the commitment itself. The most important element in the system, the U.S.-Japanese security treaty, even if it survives, is likely to go on being slowly modified to take account of Japan's increased political stature and capacity for self defense. The American commitments to Taiwan and South Korea could not be abrogated without producing convulsions in East Asia, and their termination could hardly take place except as part of wider settlements. But the possibility of these settlements is now for the first time the subject of serious attention in Washington.

The United States commitment to Thailand, through the Rusk-Thanat interpretation of the obligations of the Manila Treaty, seems likely to survive only on a limited liability basis. The South-East Asia Treaty Organization (SEATO), after the withdrawal of American forces from Indochina, may come to mean as little to the United States as it does to Britain and France. Even the alliances with the Philippines, Australia and New Zealand, which have a more enduring basis, are subject to this sense on both sides of a diminished community of interest.

The movement of the United States and Britain toward disengagement from Southeast Asia has been accompanied by suggestions, emanating chiefly from Washington and London, that new alliance arrangements comprising countries of the region might take over the tasks which the external powers are in process of laying down. A few years ago Alastair Buchan suggested an alliance between India, Japan and Australia.[1] There have been suggestions that an alliance might arise on the foundation of the nine-power Asian and Pacific Council (ASPAC), or on that of the five-power ASEAN. The idea is sometimes broached of an

[1] See Alastair Buchan, "An Asian Balance of Power?" *Australian Journal of Politics and History*, August 1966.

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alliance centered upon coöperation between Japan and Australia.

These projects reflect the desire of the external powers to rationalize their own withdrawal by demonstrating that their presence in the area is no longer necessary, since local elements are at hand to accomplish the common task. They are not founded upon the realities of the area. India, Australia and Japan do not share a common perception of external threats to their security; still less do the members of the unwieldy ASPAC. It is difficult to regard ASEAN as a potential military alliance, the chief anxieties that some of its members have about their security being those that they entertain in relation to one another.

The five-power Commonwealth arrangements now evolving in relation to the defense of Malaysia and Singapore, involving these two countries together with Britain, Australia and New Zealand, are founded upon a sense of common threats and upon tried habits of coöperation inherited from the past. But Australia and New Zealand, while they have agreed to maintain forces in the area, have at the same time studiously avoided any formal commitment to the countries concerned. Prime Minister Gorton's decision in February 1969 to stand fast in Malaysia and Singapore, at a time when it had been announced that British forces would be withdrawn altogether by the end of 1971, was hailed at the time as an historic decision to make Australia a force in Southeast Asia in her own right rather than as an appendage of Britain.

But it should be seen, in my view, not as the first phase of a new policy, so much as the last stage of the old policy of "forward defense," which seems likely to be succeeded by a policy of concentrating Australian forces in the Australian continent. The British Conservative government's decision to maintain a force in Singapore and Malaysia has given a new lease of life to the five-power arrangements. But the force is to be comparable in size with the Australian one, and Britain proposes to extricate herself from the formal obligations she had under the Anglo-Malaysian Defense Agreement. The five-power Commonwealth arrangements are a step in the winding up of an old association, not in the construction of a new one. It is difficult to see them as anything more than a transitional device designed to provide Malaysia and Singapore with time in which to adjust to the new era of self-reliance.

If no new military alliance appears to be in process of forma-

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tion, it may not be wholly unrealistic to think of a new association of regional states that would not be a military alliance directed against an outside power such as China, but a regional collective security organization in the strict sense of one concerned with relations among its own members. It is anomalous that there does not exist, in the Asian and Pacific area, an association that is able to perform the mediating and peacekeeping role in relation to disputes within it that may be played in other areas by the Organization of American States (OAS) and the Organization of African Unity (OAU). At the same time it seems unlikely that in the next decade there will be any expansion of the role of the United Nations in the area, particularly if, as seems likely, the possibility of consensus within the Security Council is further limited by the entry of China into the organization.

Such an Asian and Pacific regional security group, excluding both the United States and the Soviet Union but containing Japan, India, Indonesia and Australia, would not reflect the cultural unity and aspirations to ultimate political unity that underly the OAU. Its role in security matters might be no more than to provide mediation and good offices, and to symbolize aspirations for regional peace and security. It would be in no sense a principal source of security for its members, which they could treat as a substitute for their own arms and alliances. But it might serve to mitigate, however slightly, the factors making for international tension in the area. Today this may not be a realistic or negotiable proposition, but in the course of the decade it could become one.

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RUSSIA IN EASTERN EUROPE: HEGEMONY WITHOUT SECURITY

By Robert F. Byrnes

EVEN in an age of nuclear weapons and intercontinental missiles, the states of Eastern Europe now dominated by the Soviet Union constitute an important element of Soviet national security, a kind of *cordon Stalinaire*. The one hundred million people, and the resources their governments command, contribute a significant increment to Soviet economic, technological and military power. Soviet control of these areas provides forward military bases and possession of the traditional invasion routes into Western Europe, especially across the northern plains. The Soviet position, in fact, constitutes a threat to the security of Western Europe, a pistol held at its head.

The division of Europe and the perpetuation of tension have assisted the Soviet Union by restricting the role which West European states play in world politics and by increasing the American burden. At the same time, the Soviet position provides a veto over the unification of Germany and also over the reconstruction of Europe as a whole. Soviet control over East Germany maintains the fear of another Russian-German alliance and provides opportunities for Soviet diplomacy. It almost guarantees crises over West Berlin, in circumstances the Soviets choose. In short, Eastern Europe remains at the heart of the struggle between the Soviet Union and the NATO states.

On the surface, Soviet control over Bulgaria, Czechoslovakia, East Germany, Hungary and Poland appears tighter and more effective than ever, and the independence of Rumania in foreign policy is severely hedged by its geographical position. The close ties between the parties and the governments are supported by chains of command which run from Moscow into the various capitals through the armies, the police, the trade unions and the diplomatic service. Soviet armed forces are stationed in East Germany, Poland, Czechoslovakia and Hungary.

From two-thirds to three-quarters of the trade of each of these countries except Rumania is bound to the Soviet economy, and Soviet hegemony is exercised also through the coördination of economic plans. East European leaders, except those in Rumania, accept the Brezhnev Doctrine, which provides the Soviet Union

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formal authority to interfere in the affairs of the other states. Finally, of course, the force and skill with which Soviet-led forces crushed Czechoslovakia in 1968 demonstrated that the Soviet Union is ruthless, and will not tolerate significant modification of the Soviet position in those countries.

Even so, however, Soviet authority in these states has declined notably since its peak late in 1947, when Stalin said, "I will shake my little finger and there will be no more Tito. He will fall." Tito survived, and Jugoslavia has emerged as an independent national communist state with significant influence within Eastern Europe and among communist parties throughout the rest of the world. The political and ideological shifts connected with de-Stalinization and the rise and overthrow of Khrushchev have weakened the Soviet grip on other communist states and parties. The emergence of deep hostility between the Soviet Union and communist China has promoted polycentrism.

Unfortunately for the Soviet rulers, the problems reflected in the Polish uprisings in 1970–71 and in the earlier Czechoslovak crisis represent only one of a large number in an area which lacks uniformity and whose peoples have always proved troublesome to rule. Rumania, for example, has a staunch authoritarian government, but it maintains a resolutely independent foreign policy. Jugoslav relations with the Soviet Government on occasion have been friendly, but Jugoslavia remains irrepressibly free, little subject to Soviet influence. Tiny Albania has even withdrawn from the Warsaw Pact and is a kind of mouthpiece of the People's Republic of China in its violent hostility to the Soviet Union.

On the other hand, Bulgaria represents no problem for the Soviet Union, except for the small subsidy it requires, and the economic and political recovery of Hungary under Kadar constitutes a bright spot. Hungary is experimenting successfully thus far with economic reform, careful to ensure that its changes do not spill over into the political system from the economy or make Hungary too conspicuously liberal or successful.

The most critical problems reside in the so-called "Iron Triangle": East Germany, Czechoslovakia and Poland. Poland's problems were illustrated by the riots and strikes. The Soviet Union crushed Czechoslovak socialist humanism in 1968 with remarkable speed and skill, and it has quietly supervised the removal of Dubcek, Smrkovsky and their chief supporters and

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introduced substantial change in the Czechoslovak leadership and political system. The Soviet Union, in short, has carried out an effective political counterrevolution, but the economic and social problems which created the "spring" in Czechoslovakia remain more serious than ever.

Finally, the German Democratic Republic represents special difficulties, symbolized by the Berlin Wall, now almost ten years old. Few governments could more resolutely maintain control over their society. On the other hand, Ulbricht was an extremely stubborn defender of the interests of the German Democratic Republic, and he succeeded in delaying Soviet initiatives in its relations with the Federal Republic. Above all, the political situation in East Germany is most unstable, and the Soviet rulers must wonder whether Honecker will follow Novotny and Gomulka, both of whom also seemed secure in their positions.

The situation within Eastern Europe cannot be isolated from that in the remainder of the communist world. The Twenty-fourth Party Congress was in many ways soothing and reassuring. However, a number of important communist states, including the People's Republic of China and Jugoslavia, were not represented, and Soviet policy was criticized by leaders of parties as important as those of Rumania and France. The French and Italian parties in particular exercise a significant influence throughout Eastern Europe.

Finally, communist China has now decided to return to the world and to great-power politics, increasing again the attractions of national communism as well as the ability of the East European régimes to manœuvre against the Soviet Union. Its recent tactics have elevated ping-pong to an important position in international diplomacy, and the Soviet nightmare of a combination of China and the United States must now recur more insistently. In addition, the communist Chinese, who maintain five embassies in Eastern Europe, have set out to reduce Soviet authority there.

The basic Soviet problem in Eastern Europe is simple: its military and political role is threatened by powerful economic, social and intellectual forces not susceptible to the controls which have proved effective in the Soviet Union (and which will remain effective within that country). First of all, nationalism is a rising force throughout Eastern Europe, as it is in most other parts of the world. The peasants kept it alive during the

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dreadful years under Stalin and his puppets. The affection for the national history and culture, and for the national interest, has now been adopted by the workers, the professional groups, and the students, all favored by their régimes. In fact, communist success in creating new classes has helped to erode the earlier gratitude for liberation from the Nazis. Many direct more of their animosity against the Russians for recent restrictions than against the Germans, who were the hated enemies for the first two decades after the war, especially in Czechoslovakia and Poland.

At the same time, the economic achievements have enabled the peoples to devote their attention to issues other than simple survival. The approaching retirement of that generation which felt most grateful and loyal to the Soviet Union as well as the population explosion have created a homogeneous and predominantly youthful population with ideas and interests quite different from those who ruled or even survived in the 1940s and 1950s. (More than half the Polish population, for example, is under 30.)

The economic problems which produced the "spring" in Czechoslovakia and the riots and strikes in Poland remain unresolved. Basically, the East Europeans at enormous effort, including the sacrifice of most civil liberties, have modernized their economies quite significantly and have made substantial progress in industrial production. However, they have found that the command economy methods have "taken them as far as they can go," and that the West Europeans in the same two decades have moved into a new economic era, one which leaves East Europeans further behind than before.

Moreover, the economic and social problems of Czechoslovakia and Poland are even more fundamental and challenging now than before the crises. In fact, the invasion of 1968 deepened the Czechoslovak depression, and the sterile and bleak leadership worsens it. The troubles in Poland have simply indicated that massive economic reforms are mandatory. Internal resources to meet the economic needs do not exist. In addition, neither the Czechoslovak nor the Polish Government has the intellectual understanding, the political sense, the popular support, or Soviet approval now necessary to carry out economic change. At the same time, the Soviet Union lacks the material resources and the understanding to provide assistance. Indeed,

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it is hampered by the same scientific and technical lag. Consequently, the stagnant Czechoslovak economy must stagger on, with a working class ever less disposed to obey the commands of its rulers and with an industrial base ever less competent to meet the demands of the last third of the twentieth century, when the revolution of rising expectations will become ever more important throughout Eastern Europe.

In addition, an intellectual and philosophical vacuum has grown. Briefly, Marxism-Leninism is considered less and less relevant even by communist leaders in those countries. Many of them now consider Western management techniques and equipment more useful for their ailing economies than ideas imported and imposed from the East.

Above all, Eastern Europe is unstable because of the remarkable recovery and the growing vitality of the neighboring states in Western Europe. At a time when the silence in Russian culture which Sir Isaiah Berlin noted 15 years ago has become even more profound, Western ideas and ideals are overwhelming Eastern Europe and producing a significant impact upon the Soviet Union as well. Movies, music, fashions, novels, economic theory, social relations between generations, and the qualitative achievements of Western science and technology are known, respected and envied. The sunflower turns to the West now rather than to Moscow. Moscow must on occasion see Eastern Europe as a carrier of Western infections rather than as a barrier.

Unfortunately, from the Soviet point of view, Eastern Europe cannot be isolated from Western Europe and the rest of the world as it was during Stalin's time. The striking changes in transportation and communication and the massive expansion of education, even highly technical education, have created interests, appetites and needs which have shriveled the old controls and increased Western influence. Indeed, the very highest levels of the communist parties have been deeply affected by Western ideas and this influence has spilled into the Soviet Union as well, especially among the minorities, such as the Jews and Ukrainians. Louis XIV's comment that nations meet *only* at the top does not apply in an age of mass culture, increased education, international travel and study and a series of revolutions in communications. However, nations still meet *first* at the top and foreign influences are absorbed first by today's political leaders and scientists, as they were earlier among aristo-

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crats. Soviet dissidents, such as Sakharov, Medvedev and Amalrik, were all influenced by developments in Eastern Europe and in the West.

In some ways, the Soviet dilemma in Eastern Europe is like that which the régimes of Alexander I and Nicholas I faced one hundred fifty years ago, except that the Soviet Union is more deeply involved in European state politics and more influenced by European ideas and economic vitality than was the other old régime. The Decembrists and the Polish Revolt in 1830–31 alarmed the early Tsars just as the Budapest, Prague and Polish revolts have frightened their successors. Today's dilemma is even more fundamental, because the communists are trying to catch up with Western Europe on the material plane and to shake off its influence on the political and psychological plane. As Christopher Dawson pointed out years ago, "Given the nature of Western political philosophy, which is a philosophy of freedom, this dilemma, and consequent conflicts are inevitable."

Those who make Soviet policy decisions with regard to Eastern Europe are, first of all, Soviet communists, with a view of themselves, of the world, and of history which derives from their interpretation of Marxism-Leninism. Seen through Soviet-tinted glasses, Eastern Europe has no doubt been undergoing slow, steady progress, hampered on occasion by "capitalist remnants," which caused difficulties such as those with Jugoslavia in 1948 and the various eruptions since that time. The forces of history and the guidance of Big Brother, however, will thrust into the dustbin of history those not sufficiently loyal or submissive. They will also assure that the danger threshold will never be crossed and that these states will continue their progress toward communism under vigilant Soviet leadership.

This view, which reflects imperfect knowledge of the peoples in this complex area as well as the inability to understand others which paralyzes all of us, is a serious limitation on Soviet policy. Moreover, the Soviet Government is profoundly conservative and unimaginative, handicapped by its philosophy and persuaded that force in the last analysis will overcome any shortcomings. In addition, the Soviet Government is to some degree restricted by the Soviet public, which was convinced by the Second World War that Eastern Europe, especially East Germany, remains essential to the security of the Soviet Union. The millions of veterans in particular would fail to understand a

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Soviet policy which surrendered or weakened the Soviet position. Moreover, the "hard-liners" in the party, particularly at the upper levels, have a significant impact on Soviet decisions in this central area and therefore limit the options available.

The Soviet Government also realizes that the national interests of each of the states of Eastern Europe differ frequently from those of the others and that they cannot be treated as a bloc. It also assumes that the leaders of these states are experienced in Soviet ways of dealing with others and that, even though loyal to the Soviet Union, they will on occasion defend their national interests against insistent Soviet pressures. Moreover, while Moscow retains the capability to use ancient dislikes and current ambitions to divide Budapest from Bucharest and Warsaw from Prague, and even to use anti-Semitism, it must know that the leaders of these states on occasion will band together to defend their interests, perhaps simply by stalling. The Soviet leaders also realize from experience that their relations with these leaders can no longer be shielded even from the rest of the communist world. Jugoslavia in particular obtains access to even the most confidential information, thus demolishing one of the great strengths the Soviet leaders used to enjoy.

The existence of other independent communist states, particularly communist China but Jugoslavia as well, also exerts a limiting influence upon Soviet policy. The Chinese charge that "peaceful penetration of Western capitalism" into Eastern Europe is occurring under the blind eye of the Soviet Union. Its other charges of ideological softness naturally affect Soviet views and policies, as do those of Western communist parties alert to Soviet "sectarian, dogmatic attitudes" and harsh, restrictive Soviet policies which will affect their own electoral prospects. The Soviet Government can and usually does ignore these criticisms or protests, but such actions exact a penalty and in the long run can circumscribe Soviet freedom of action.

Above all, the Soviet Government must fear Western influences and the effect any relaxation of controls in Eastern Europe would have throughout that area and within the Soviet Union as well. The "Great Fear" is that any unbinding of Soviet power in this critical borderland would erode communist power within the Soviet Union and begin a withering away of the myth that international communism led from Moscow is an invincible wave of the future. It would destroy the true faith of communists

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and at the same time encourage the "savage" Americans and Chinese. Thus, any weakening in Eastern Europe would be interpreted by the Soviet rulers themselves as an assault upon the inexorable forces of history, as well as upon the ultimate security of the Soviet Union.

To help meet the various challenges posed, the Soviet leaders have a number of choices. Thus, with regard to arrangements between those states and the Soviet Union, they might reconsider establishment of a socialist commonwealth of nations, including the states of Eastern Europe, except for Albania and Jugoslavia, and any other communist states which might wish to join. This dramatic and vague proposal, made originally just before Soviet armed intervention into Hungary, would bind the various states of Eastern Europe more closely to the Soviet Union in an ostensibly free federation. It would help establish clear lines of policy and political arrangement. It would divide those who supported the Soviet Union from those who refused to join it. It would also establish a framework into which a repentant or revised Rumania and a new Jugoslavia, Albania and communist China could join.

On the other hand, Rumania would almost certainly refuse to join such a "federation" and would resent its establishment. Some of the other states would certainly fear that such a commonwealth would constitute a step toward absorption as a Soviet Socialist Republic. Jugoslavia, Albania and communist China would not only refuse to join but would attack it as the reëstablishment of the Cominform, while those foreign communist parties already critical of Soviet efforts to establish a coördinating system would be vociferously critical.

Another option—incorporation of one or two of the states of Eastern Europe into the Union of Soviet Socialist Republics—would enable the Soviet Government to deal most effectively with the people so absorbed. The Soviet Government apparently considered the incorporation of Slovakia in 1968 as one way of resolving the Czechoslovak issue. However, such an action would create enormous opposition throughout Eastern Europe and among other communist states and parties. It would especially create fear and hostility among Germans, East and West, for they would conclude that it meant that the German Democratic Republic might one day also be swallowed, thereby ending "forever" any hope of German unity.

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A third option is maintaining the status quo throughout Eastern Europe, supplemented by a gradual and almost imperceptible general tightening of control within each country and of Soviet hegemony over all the countries. This slow and almost invisible kind of re-Stalinization would be concealed by amenities and would consist of small steps, with the carrot always concealing the stick. It might be reflected in revised treaties such as that concluded with Czechoslovakia in May 1970, which increased Soviet authority and obligated Czechoslovakia to assist the Soviet Union in conflicts even in East Asia.

Such a general tightening would strengthen Soviet controls, at least temporarily. It would alienate the privileged classes which Russia seeks to persuade. It would also, of course, arouse communist parties such as those of France and Italy, and it would clearly raise tensions throughout Europe and the world, thereby endangering the détente and Soviet hope for increased trade and for Western technological assistance to the U.S.S.R.

Economic stagnation, especially in Czechoslovakia and Poland, the ever more visible lag of the science and technology of Eastern Europe behind that of Western Europe, and the pressure for diversion of increased resources to satisfy the needs of the urban classes constitute the most direct and serious challenge throughout Eastern Europe. The Soviet response, and that of the Novotnys and Gomulkas, has not been impressive. When the Soviet Government has provided substantial aid, as it did in Hungary in 1956, in Czechoslovakia in 1968, and in Poland in 1971—after crises had erupted—it has done so on a crash basis. So far as we know, it has never considered anything like the Marshall Plan, or any long-term proposal which sought to advance the interests of each country in a coördinated long-term aid program designed to raise the general economic level.

Such a policy is beyond the capacity of the Soviet leaders. Their interest in the Soviet Union and in Soviet advance is single-minded. They have a pyramidal view of world communism, with the Soviet Union at the top, at the highest stage of development. Stalin's view concerning the construction of socialism in one country still fetters them, as the Chinese communists discovered a decade ago, when they urged that all states ruled by communists share resources and move toward communism at the same pace. Moreover, both the Soviet economies and those of the East European states are in such straitjackets from cen-

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tralized controls that a multinational program would be immensely difficult to administer, even if the political will existed.

Another possibility is transforming COMECON, the Council for Mutual Economic Assistance, into a joint supranational economic organization of the communist states, one designed to establish a "socialist integration." Such an approach, which would probably be modeled on the Common Market, is also beyond practical Soviet capabilities. Establishing a supranational organization of reformed and unreformed economic systems would be extraordinarily difficult. It would require each state to surrender part of its sovereignty, which Rumania already has refused to do. Each country would have to introduce substantial institutional changes, remove entrenched bureaucracies' grips from the national economy, and coördinate its own national economic plans with those of the other countries. Each currency would have to be revalued, and a uniform price system established which escaped from the arbitrary and inflexible national systems which now prevail. Above all, the communist states would have to establish a multilateral payments system with a convertible ruble. These steps are almost inconceivable, so that COMECON is condemned to stumbling along as it has since 1949, with slow and minor improvements.

Another possibility is Soviet promotion of economic reform along the lines which the Kadar government in Hungary is now following or those which the Czechoslovak Government sought to establish in 1968. This would decentralize the economies, give more authority to individual enterprises and to the market, provide increased national incentives, and elevate the role of qualified specialists as compared to bureaucratic party managers. It would pay significantly greater attention to consumer expectations, and it would lead almost inevitably to relaxed controls.

The Soviet Government is likely to tolerate some economic reform in Poland and Czechoslovakia, if the trusted governments of those countries can overcome fears of change within their own beleaguered administrations. However, the Twenty-fourth Congress of the Soviet Party in March 1971, especially the speeches of Kosygin, "the reformer" within the Politburo, revealed that the Soviet Government itself has turned against economic reform. It instead reëmphasized administrative centralization, spiced with devices modeled upon American business schools such as the Institute for Management of the National Economy,

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and Western technology acquired through increased trade and through arrangements with firms such as Fiat.

Thus, the Soviet rulers believe that "Liberman reforms" almost inevitably lead to Sik and that Sik almost inevitably leads to a crisis such as that of August 1968. Moreover, reformed communism represents a direct threat to traditional socialist planning. The bureaucrats who would lose power and positions would oppose it, as would those who fear the impact of reform upon communist party rule. Continued success in Hungary without any threatening political consequences alone offers hope. However, even the Hungarian reform involves increased trade with the West, and Western investment, and raises the specter of the influence of foreign ideas. Moreover, the Hungarians must walk a very narrow path, somehow containing their changes within the economy and not becoming so successful as to attract the fear and wrath of Soviet or East German conservatives.

Another possibility is significantly increased trade with the West, including Japan and the United States. In fact, rejection of internal economic reforms would increase the need for expanded trade, because the centralized command economy could be revived only through Western technology—but Western equipment and ideas could be acquired only through trade. However, from 60 to 75 percent of the foreign trade of the East European states is committed to the Soviet Union by long-term agreements, so they have little freedom of action. The arrangements which the Soviet Union has established constitute a form of imperialism which further cripples the Poles, the Hungarians and others in trade with the West: generally, the East European states are obliged to ship their finest industrial products to Moscow, receiving in return various raw materials, such as oil, gas and iron ore. In addition, the quality of the goods produced in Eastern Europe is generally below the level sought by Western consumers, and East Europeans lack the marketing skills international trade requires. In short, prospects for greatly increased trade are dim. Increased Western aid is also unlikely, for economic as well as political reasons.

The East European states not only lack the capacity to increase trade significantly with the West, but the Soviet leaders realize that trade is a most serious cause of infection. It would introduce fresh air, new contacts, and ideas. Moreover, any increase in trade would lead inevitably to pressure to reform the

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economy in order to produce the kind and quality of goods and services required in payment by the West. As Toynbee revealed in his "Study of History," no society can borrow an idea, a technique, a piece of equipment from another society without also importing that society's spirit and values.

In contemporary terms, the Soviet Union and Eastern Europe are a closed system facing a modernization crisis of special severity because it is compounded by imperial problems. The Russians are facing a hazard which de Tocqueville foresaw for any autocratic government which sought popularity or greater productivity. In an old Russian phrase, "They seek a fire which will not burn." Moreover, this new fire might not succeed in warming up the stagnant economies but might only stimulate appetites and intensify problems.

During the past few years, the Soviet Union has followed a policy called détente, one designed to weaken the resolution of Western Europe, to break up NATO, to weaken and destroy the Common Market, and to remove American forces and influences from Western Europe. The Moscow treaty between the Soviet Union and the Federal Republic of Germany in August 1970, the trade and aid agreement completed in October between Bonn and Warsaw, and the agreement signed in Warsaw in December 1970 between Germany and Poland are the outstanding illustrations thus far of this process.

However, neither the Federal Republic's *Ostpolitik* nor the Soviet Union's *Westpolitik* has yet passed the major test, because the Moscow agreement has not yet been ratified or even placed before the West German legislature. In fact, the absence of progress in West Berlin has increased opposition to the treaty. German ratification of the August 1970 Moscow agreement still depends on a satisfactory solution of the West Berlin situation, one in which the Soviet Union would recognize special ties between West Berlin and the Federal Republic and guarantee access of West Germans to West Berlin and of West Berliners to East Berlin. If the Soviet Union should reach agreement on West Berlin, the Moscow and Warsaw treaties would be ratified, thereby providing official West German recognition of the permanent boundaries of Poland and acceptance of the German Democratic Republic. It might also lead to a European Security Conference, which would strengthen the apparent legitimacy of East Germany and would, in short, provide apparent addi-

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tional security on the Soviet western borderland at a time of prolonged tension with communist China. It would also lead to increased trade and substantial loans from Western Europe, perhaps even from the Common Market, to the economies of Eastern Europe, a goal even more important to the Soviet Union than legitimacy.

On the other hand, as the Soviet rulers no doubt realize, the policy of détente raises serious hazards. It would expose the Soviet western borderlands to developments they may be unable to control. Basically, West German acceptance of the present boundaries of Eastern Europe represents no real change: no Western states hope to change those boundaries, and no treaty can guarantee their permanence, any more than the Congress of Vienna ensured the permanence of the status quo of Europe then. Moreover, the West German agreements with the Soviet Union and Poland, the trade agreements completed in 1970 with five countries of Eastern Europe, and the discussions going on with Czechoslovakia reveal that Eastern Europe no longer fears that West Germany seeks to revive Nazi ambitions. Indeed, even if the Moscow and Warsaw agreements should not be ratified, no one in Eastern Europe could doubt that the goal of the Federal Republic's policy is peace. This new relationship might even lead to genuine understanding and reconciliation with Poland and especially with Czechoslovakia, completing the isolation of East Germany. It might even lead to the abolition of the Berlin Wall, a prospect which no Pankow government could face without fear. Thus, the "outbreak of peace" would destroy the ideological foundations of the German Democratic Republic. The desire for reunion, shown by the tumultuous greeting given Willy Brandt on his first visit to East Germany, would exert tremendous pressures for some form of German reunification, even if the German Democratic Republic had been recognized as an independent state and were a member of the United Nations. In short, Soviet controls lose their justification and some of their potency when fear is reduced, while those elements of Western strength become ever more effective as peaceful relations are more widely accepted.

Another possibility for Soviet diplomacy is linking disarmament and German unification. Reducing armaments would help lessen tension, significantly decrease the heavy military burden on the Soviet budget, enable the Soviet Union to devote more

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attention to China, and weaken the resolution and verve of the West. It might also lead to large credits for the Soviet Union and Eastern Europe as Western Europe and the United States relaxed their fears.

However, no contemporary Soviet government could accept a reunified Germany, even if disarmed, because such a Germany would raise such uncertainties in the center of Soviet defenses. In addition, a unified Germany, even a neutral and unarmed Germany, would open Eastern Europe to increased Western influences. It would be interpreted by the Chinese communists as a defeat for the Soviet Union, and it would reflect the first step backward from the massive expansion of communism which began after the Second World War.

The Soviet Union must have made preparations for opportunities which may arise in Jugoslavia after the retirement of Tito. It must assume that the end of Tito's rule will expose the Jugoslav Federal Republic to very heavy internal pressures and that the Republic may break up, providing the Soviet Union with an opportunity to make arrangements with one or another of the republics or with groups of Jugoslav communists who seek Soviet support to advance their own interests. An action such as this would have enormous advantages for the Soviet Union. It would end the threat of the heresy and even the examples posed by Tito. It would encircle Rumania and bring it back into the Soviet fold. It would strengthen Soviet hegemony in Eastern Europe and provide a new threat toward Albania, Greece, Italy and the Mediterranean. It would increase enormously the threat to Western Europe, while at the same time it would diminish the attraction of national communism and would vault the Soviet Union into a stronger position throughout the communist world.

Such an action could be undertaken only under most favorable auspices: an invitation from a Jugoslav Republic or from a group of Jugoslav "leaders" for aid; extreme disarray in Western Europe because of national elections, the presence of weak governments in critical countries, or some crisis within the West or in a part of the world critical to the West; and a divided, irresolute, and unprepared United States. In fact, a situation might occur similar to that which led to Munich in September 1938 or to further Nazi action, without opposition, in March 1939. However, in spite of the immense advantages such a step

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would offer, the circumstances would have to be most favorable to persuade even a dynamic and vigorous government to intervene. Moreover, Soviet intervention in Jugoslavia would raise difficulties similar to those encountered by the Nazis and would create a world crisis even more tense than the Cuban missile threat in 1962. Such intervention does remain an option, though, as the Jugoslav and Rumanian alerts after August 20, 1968, demonstrate.

Pressure against West Berlin, such as that which led to the blockade of 1948–1949 or to the Khrushchev ultimata of 1958 and later years, constitute another Soviet option, the likelihood of which will increase as the advantages of détente decline. West Berlin remains such a critical point and symbol for the West that significant harassment is unlikely, unless another crisis within the West should occur. In fact, the critical factor with regard to West Berlin will remain visible, unified Western determination to secure its security and Western access. If the Soviet Government has no doubts concerning Western resolution, neither it nor the German Democratic Republic will create significant pressure.

The Soviet Government now holds the commanding heights in Eastern Europe. The advantages of maintaining the status quo are immense, ensuring the Soviet government the benefits outlined earlier and increasing the time for transforming and integrating the area and eroding the peoples' hopes. Moreover, in time, the strength and power of the West, especially the United States, may wither. In this situation, an occasional crisis might even be salutary, enabling the Soviet Government to identify the flowers of opposition as they bloom and to demonstrate Soviet determination.

However, maintaining present arrangements is not possible, while actions taken to resolve pressing issues are almost certain to raise even greater hazards. Control of the commanding heights provides political hegemony without security in an era as profoundly revolutionary as that of the Renaissance and Reformation. The vast changes under way threaten Western societies too, but Western Europe and the United States are equipped for change, lead in it, respect it, assume it. This is one world for the Soviet Union as well as for the United States. In the contest between the old titans, geography and force, and lively new ideas, the great changes in education and communication spread these

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ideas and help undermine the bases of all established, conservative systems, including that defended by the Soviet Government.

These changes are occurring at the same time the world is entering a new diplomatic era, one as pregnant with change as the 1850s and 1860s, when the Concert of Europe and federalism collapsed. Soviet diplomacy will no doubt remain skillful, but progress toward some form of West European unity, the emergence of Japan as a great power, the return of the People's Republic of China into world politics, and the steady rise of countries such as Mexico, Brazil and India will create a new situation, one which will help unbind all bonds of empire. This will give the East European states more manœuvrability at the same time it makes the Soviet role less defensible. Thrashing critical leaders, crushing rebellions, and providing lavish short-term economic aid will not meet these issues, any more than tightening the command economy will stimulate innovation and new energies.

These changes and challenges are likely to strengthen the instinct of the Soviet leaders to make the system more repressive, darkening prospects of the Soviet peoples for greater freedoms and more consumer goods. The Soviet leaders, as the Twenty-fourth Party Congress demonstrated, will thus seek to "safeguard and strengthen" their rule. The new "impersonality cult" will seek the gray middle of the road, buttressed by the conservative instincts of an elderly ruling group which feels itself threatened. Policies reflecting these postures will not provide economic dynamism, respond to growing claims for the right to self-determination, or provide other acceptable solutions, even safety-valves, to the problems posed by Eastern Europe.

Thus, the Soviet position in Eastern Europe is an unstable one. Fundamentally, this reflects the conflict between the ideas of Wilson and those of Lenin concerning the ways in which societies should be organized and should deal with each other. No area in the world is more important than Eastern Europe in resolving these great issues, and none under Soviet hegemony is more precarious.

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THE MILITARY AND AMERICAN SOCIETY

By Colonel Robert G. Gard, Jr.

THE armed forces of the United States are in the throes of what is popularly termed an identity crisis. Alongside daily press reports of antiwar protests, draft resistance and opposition to military spending are accounts of such problems within the uniformed services as discipline, race relations and drug abuse. The concern of the military is apparent in recent institutional reforms, most notably in the Navy, designed to make service more attractive and to remove some of the irritants that no longer appear to serve a useful purpose. Not so well-known, however, is the search to adapt traditional concepts and practices of military professionalism to changing requirements and radically new demands.

Protected as it was by vast oceans until the Soviets acquired a nuclear capability, the United States traditionally sought security in a form of national defense based on a tiny, physically isolated active army and a relatively larger but still small navy which could be expanded in time of emergency. Civilian authorities conducted politics and diplomacy without military participation; the military conducted war to victory without civilian intrusion. In keeping with the American liberal ethic, it was considered dangerous to democratic institutions for the soldier to engage in political activity or the affairs of state. But when diplomacy failed, war was sanctioned as a crusade, and it was considered inefficient and even immoral for the civilian non-professional to meddle in the conduct of military campaigns when American lives were at stake.

Traditional U.S. military professionalism, nurtured in the isolation of frontier posts following the Civil War, reflected this doctrine of mutual exclusion. Its aim was simple: to apply military power to destroy an enemy armed force with the fewest possible casualties to itself. Inherent in the soldier's outlook was the conviction that he would be committed to combat only for causes which justified the ravages of war. The soldier considered himself divorced from politics and politically neutral, with loyalty not to abstract principles but to elected political authority, in the person of the President as Commander in Chief.

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Vital to combat operations and therefore a necessary part of traditional military professionalism is a set of values which to some extent are contrary to those held by liberal civilian society. Military organization is hierarchical, not egalitarian, and it is oriented to the group rather than the individual; it stresses discipline and obedience, not freedom of expression; it depends on confidence and trust, not *caveat emptor.* It requires immediate decision and prompt action, not thorough analysis and extensive debate; it relies on training, simplification and predictable behavior, not education, sophistication and empiricism. It offers austerity, not material comforts. Unfortunately, the responsibility of the military professional for the security of the nation and the lives of his men can result in a gravity and moral tone in his pronouncements which most civilians resent.

II

World War II vindicated the traditional concept of national defense but it also established the conditions that led to its downfall. The extent to which mutual exclusion was operative during the War can be illustrated by matching Secretary of State Cordell Hull's comment a few days before Pearl Harbor on the U.S.-Japanese situation—"I have washed my hands of it, and it is now in the hands of . . . the Army and the Navy"—with General Marshall's remark during the War on a British proposal to modify military strategy—"I would be loath to hazard American lives for purely political purposes."

The unconditional surrender of Nazi Germany and the occupation of Japan appeared initially to permit a return to small peacetime active forces. Although the early phases of the cold war gave ample evidence of a fundamental change in the position of the United States in postwar international politics, only hesitant and inconsequential steps were taken to change the outmoded concept of national defense. American armed forces were woefully unprepared when the Korean War began. (The proposed defense budget for the fiscal year beginning July 1, 1950, was about $13 billion.) Early in the war, following the landing at Inchon, the military objective was traditional: destruction of the North Korean armed forces.

It was not until after truce negotiations began in 1951 that a fundamental change occurred in the precepts of mutual military and political exclusion. During these negotiations, armed com-

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bat lost its wartime autonomy. The objective of military operations ceased to be solely the destruction of the enemy forces in order to remove their capacity to resist; instead, the employment of force was closely controlled to convey a diplomatic message. In keeping with a basic but long-ignored principle of Clausewitz, combat operations were subordinated to political purposes.

In addition to undermining traditional military supremacy in wartime, the shock of the Korean conflict also demonstrated graphically what the Soviet explosion of an atomic device in 1949 had forecast: the concept of national defense which relied on lengthy mobilization to flesh out skeletal active-duty military forces was outdated. There evolved a new concept of national security policy and strategy, requiring in both peace and war the orchestration with the military of other instruments of statecraft —political, economic, sociological and psychological. But the development of new precepts and relationships was unsystematic and irregular. Adjustments to the profound changes proved exceedingly difficult, particularly for the military.

Civilian participation in what traditionally had been the province of the military establishment grew swiftly. With the Soviet acquisition of a nuclear arsenal, the deterrence of a devastating holocaust became a matter of the highest national priority. But the soldier's experience was grounded in conventional combat operations, not in deterrence and nuclear war; and interservice rivalry over competing strategies and weapons systems—paradoxically compounded by service unification—had to be resolved by civilian leadership. The result was that the military professional no longer was considered to possess an exclusive expertise; it was accepted that the civilian analyst had a role to play. Centralized budgeting, programming and financial management also called for skills in short supply in the uniformed services. A large civilian bureaucracy evolved, first to control and then increasingly to manage in detail the enlarged and highly complicated defense establishment.

Nor was civilian activity limited to the development of strategic concepts and to peacetime military planning and programming. In order to minimize the possibility that limited war or even military confrontation might escalate into disastrous general war, responsible political authority understandably exercised close control over crisis management. In the Korean War,

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the Army was subject to specific restrictions although the Navy and Air Force were allowed to conduct operations with minimum interference other than the establishment of a geographical limitation. But in the Cuban missile crisis, the President and Secretary of Defense exercised stringent controls over naval blockade operations; and during the Vietnam war, the air campaign has been subject to detailed civilian direction.

III

Increasing civilian involvement in military affairs proceeded more rapidly than military adjustment to it. Rejection of professional military advice in peacetime for nonmilitary reasons has always been acceptable to the soldier; what was and continues to be frustrating, and even professionally embarrassing, is to be overruled by civilians for military reasons or to have civilians interfere in the conduct of military operations. But civilian intrusion into areas that had been considered exclusively military did not constitute the most perplexing problem. The concept of national security policy and strategy called for fundamental alterations in the traditional military professionalism which had guided policies and procedures in the U.S. armed forces for nearly a century.

The conduct of limited war in the nuclear era requires what Morris Janowitz has termed a "constabulary force," one continuously prepared to act, committed to the minimum use of force, and satisfied with a favorable political outcome rather than military victory in the traditional sense.[1] But even more difficult, it also necessitates the highly complex integration of military operations with political, economic, sociological and psychological measures.

Many military professionals regarded the Korean experience as an aberration and failed to comprehend its politico-military lessons. For example, nearly a year after the armistice was signed, the Army Chief of Staff, General Matthew B. Ridgway, stated in a speech: "The day when wars had limited effects is past. . . . War . . . will be total in character. . . . If we must fight, we must win. There can be no other goal. There must be no other outcome." It was not until the Kennedy Administration emphasized the concepts of flexible response and counterinsurgency that restrictions on the use of force and the need to combine other

[1] Morris Janowitz, "The New Military." New York: John Wiley & Sons, 1964.

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considerations with military operations became widely accepted in principle within the military institution.

In the search for national security policy, the military professional no longer could remain isolated and restrict his peacetime activities to preparation for war. No longer could he abstain from participation in diplomacy and the formulation of policy; nor could he limit himself to military considerations. In June 1961, President Kennedy found it necessary to state in a memorandum to the Joint Chiefs of Staff that he regarded them as "more than military men" and expected "their help in fitting military requirements into the overall context of any situation. . . ."

Bureaucratic imperatives demanded that the military develop within its ranks new technical, analytical and managerial skills of a high order. But continued military preoccupation with the combat function precluded an adequate response to this requirement. Although a relatively large number of uniformed officers have received graduate education, as Army Chief of Staff General Westmoreland stated in a recent address on problems within the Army: specialization "has only been an extracurricular effort."

The military services had made only preliminary progress toward adjusting to a fusionist national security policy when the conflict in Vietnam became a test case of the new strategy. Difficulties in conducting counterinsurgency and the intense reaction against the whole involvement in Vietnam have significantly complicated the problems of modernizing military professionalism. It is true that in some ways public attitudes are typical of the antimilitary outlook that has followed other wars. But two factors can be considered unique and particularly troublesome.

First, there are fundamental doubts about how effective the military is or can be in attaining political objectives. The Vietnam war is perceived to be inconclusive; according to recent public reports, it appears even to many involved in operations there that the insurgency could persist in much the same form over an extended period. And the nature of the conflict makes it exceptionally difficult to justify to American society the loss of lives in clear-cut moral terms. Beyond this, however, there is for the first time widespread and serious questioning of the morality of the use of armed force, particularly as it affects both friendly and enemy noncombatants. Military force is seen by many as a

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blunt, insensitive and even immoral instrument. In their minds, not only does this invalidate the rational use of the military in attaining political objectives, but it also impugns the very legitimacy of military service itself.

Secondly, there is, particularly on the part of American youth, a hostility toward large bureaucracy, a general feeling of dissatisfaction with what are considered obsolete bureaucratic structures, insensitive administrators and encumbering procedures. This is coupled with a belief—or perhaps an understanding—that outdated policies and practices are sustained through apathy and inertia. Bureaucracies are seen to be capable of only marginal adjustments, not necessary innovation. While these dissatisfactions and misgivings are by no means focused only on the armed services, they are reinforced by other antimilitary attitudes and nonconformist values to produce a unique challenge to the American military establishment, the largest bureaucracy in the United States. Even within the armed services, the desire for increased influence over bureaucratic decisions by those most directly affected undoubtedly will lead to more widespread discontent and resistance to authority.

An additional complicating factor is a new uncertainty about the U.S. role abroad. The emphasis on domestic problems is coupled with public rejection of a defense policy which has appeared to be tantamount to unilateral containment of communism. Nevertheless, to revert to pre-World War II isolation does not seem possible for a superpower in a world in which international politics has become both more dangerous and more complex. Thus there appears to be little justification for the complacent attitude expressed by some, both within and outside the military, that the armed services after Vietnam can either return to traditional concepts of professionalism or adjust in a leisurely and untroubled fashion to requirements which have evolved during and since the Korean War. Indeed, the military profession faces what is probably the most difficult challenge in its history in pursuing two key and sometimes conflicting objectives: providing for the military security of the United States, and accommodating present values of American society.

IV

The military services face complex problems in their primary task of providing trained forces to support national security

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policy and strategy. Costs of both weapons and manpower are rising rapidly. With shrinking military budgets and reductions in general purpose forces, there is an inclination to maintain on active duty more combat-type units than can be supported adequately or manned at or near full strength, in order to facilitate mobilization. In addition to creating serious morale problems, to be discussed later, this approach to force structuring prevents adequate training and produces units at a low state of readiness. This might appear acceptable, since any active commitment of U.S. forces seems unlikely under present conditions. However, circumstances of U.S. military involvements since World War II have proved unpredictable, even in the short run; they are likely to be less predictable in the future. Moreover, the Nixon Doctrine asserts full support of previous commitments and states that external assistance to an insurgency, as well as overt conventional attack, may lead to the involvement of U.S. general purpose forces. If future international developments require our military participation, highly trained and ready units will be needed, particularly in view of the variety of possible contingencies and the limited size of our forces.

Military professionals also must develop a greater understanding of the implications of the necessary limitations on the use of force in the nuclear era. They should provide an institutional capability to understand political objectives and to suggest appropriate applications of military means to achieve them. Military leaders must comprehend more fully the relationship of means and ends, and appreciate the moral principles that play a vital role in the success, as well as the acceptability, of military operations. Deterrence of war and the attainment of political objectives must be recognized as "victory," at even the lowest tactical level.

The military involvement of the United States in Vietnam may be a special case, with mistakes never to be repeated; but a careful and dispassionate examination of military strategy and tactics in light of political objectives is in order. This is essential not only because of the intensity of public criticism of the conduct of military operations and the resultant misgivings within the military establishment itself, but also because such a critique should prove highly instructive in helping to bring about the effective integration of military power with other instruments of statecraft in national security strategy.

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Clearly, the complexity of the military establishment and the demands of national security require the military to develop a high level of capability in areas which until recently were not considered principal military responsibilities. The institutional assumption that an effective tactical commander possesses the capability or initiative to cope successfully with other, more tangential assignments must be rejected. Reëxamination and overhaul of the extensive education and training programs of the services are not enough; also essential is a reassessment of career patterns to permit the development of applicable skills and to ensure a reasonable prospect of advancement for those who contribute effectively in assignments other than troop command.

V

Along with providing a flexible military force relevant to political realities, the armed forces must maintain an organization which is sensitive and responsive to change. This is not to suggest that the discipline essential to combat operations should be sacrificed, but rather to recognize that the gap between the values held by a large percentage of American youth and those required for effective military service is probably larger today than ever before. Traditional antimilitary attitudes and the reaction to the Vietnam conflict are compounded by a general desire for greater informality and personal freedom and by an abhorrence of obedience to what is regarded as arbitrary authority. Also, the lack of privacy and a relatively Spartan life-style do not appeal to many who are accustomed to material comforts in an affluent society.

Traditional values are not outdated; those vital to success in battle still must be inculcated in servicemen who may be required to engage in or support combat, both to ensure operational success and to prevent unnecessary loss of life. And in addition, while the rights of the soldier as an American citizen must be protected, there also must be appropriate sanctions against those who fail to meet required standards of discipline and conduct, especially in combat. (Many believe the latest version of the Military Justice Act has created serious impediments to prompt and effective punishment which exacerbate disciplinary problems.) But at the same time, a rigorous review of traditional procedures is in order. While certain rituals that appear

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irrational may be necessary to produce an essential level of discipline, reluctance to crack the thick crust of custom should not inhibit appropriate change.

Most destructive to morale in the armed services, however, is a lack of purposeful activity relevant to a legitimate military mission. Careful force planning and programming at the highest echelons are necessary to lay the groundwork for rewarding peacetime service. For extensive administrative and logistical activities are required to support military units and installations, and excessive economizing or arbitrary reductions in the civilian work force and in supporting military manpower require that men be detailed from tactical units to perform support functions. Such diversions of personnel—and what is even more damaging, programmed shortages of manpower, equipment and spare parts in tactical units—not only preclude training and reduce readiness but also create the highly publicized environment of make-work and frustration which discourages enlistments and makes it difficult to retain quality personnel.

A related but more complicated problem is retaining talented professionals while maintaining essential values in today's military establishment. Military installations previously provided both separation from civilian society and amenities that would not have been available for equivalent civilian income. However, larger forces and broader responsibilities have increased military contacts with civilians, diluting some of the values that could be maintained relatively easily within an isolated military community. An increasing number of military assignments are not related directly to the combat function, removing the sustaining motivation of the military mystique. Genteel poverty and the Spartan life become less attractive, and the sense of commitment that engenders a willingness to work long hours is likely to become eroded when soldiers associate closely with civilians who are financially more successful in less demanding occupations.

Furthermore, military participation in the policy process involves a degree of political activity inconsistent with the nonpartisan tenets of traditional professionalism. This not only causes strains within the military establishment, but it also leads to charges of excessive military influence in national security policy formulation. Many hold the military responsible for unpopular national security decisions. There is even evidence of

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recent concern that intensified criticism might alienate the military sufficiently for it to take action opposing constituted authority. This appears farfetched; the concept of civilian control, based on the soldier's unconditional commitment to elected political leadership, remains firmly grounded in the U.S. military ethos. But to prevent mutual suspicion and recrimination, it is important that American society draw a distinction between legitimate participation in policy deliberations on the one hand and responsibility for policy decisions on the other, and recognize and support the military establishment as an instrument of the state.

At the same time, a difficult question can arise for an individual member of the armed forces when he disagrees with a policy decision taken by political authority. While institutions as such cannot take moral stands, individuals cannot ignore them. Since the demands of both military service and morality are based on absolutes, service to the state must be philosophically compatible with the soldier's moral predispositions. Once this is accepted, moral choices rarely arise as a practical problem; when they do, they are likely to concern specific means of carrying out policy. But the nature and intensity of public criticism of military operations in Vietnam, highlighted by the My Lai tragedy, raise fundamental questions that the military services, and indeed American society, must face squarely and objectively in analyzing the use of the military instrument to obtain political objectives. Such an inquiry must include moral considerations, but it must avoid distortion of the Geneva Conventions to support unwarranted charges of war crimes.

VI

Solutions to the dilemmas facing the military profession fall somewhere between two unacceptable extremes: returning to traditional professionalism, involving withdrawal from society; or discarding traditional values and severely impairing cohesiveness and discipline. Obviously, the two should be reconciled, but the prescription of preserving essential military values while maintaining a close relationship with civilian society is inordinately difficult.

If the draft is discontinued to promote a volunteer armed force, it will be easier to preserve traditional values but harder to adapt military professionalism to modern demands. The uni-

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formed services will become more self-contained and their separation from society will be more likely. This could become particularly serious if the military feel alienated from society and if civilians regard the military establishment as a separate community. Intensive efforts must be made by both civilian and military officials to encourage contact and coöperation and to prevent such unfortunate developments as the elimination of ROTC from our major universities. A close association of the armed forces with civilian society is necessary to ensure that military resources will be employed in a manner consistent with American societal values.

In the antimilitary environment likely to persist for the foreseeable future, reliance on volunteers would probably eliminate, for all practical purposes, the soldier of middle-class background from the enlisted ranks. This will also be true, to a somewhat lesser extent, of those from the working or blue-collar class which has been a prime source of military manpower. As an alternative to personnel shortages, the services probably will be required to lower standards and to rely to a large extent on recruitment from the alienated underclasses. In addition to the resulting disciplinary and racial problems, the military would be faced with a massive task of basic education and social rehabilitation. The uniformed services currently are engaged in a New Standards Program (formerly Project 100,000) designed to absorb annually into their ranks a limited number of men who fail to meet mental criteria or who have minor, correctable physical defects. But to rely primarily on the disadvantaged underclasses for the skilled manpower needed in a modern armed force presents an entirely different problem. Substantial increases in pay and other improvements might produce enough qualified volunteers to alleviate the situation somewhat; but without high levels of unemployment, antipathy to military service probably will override its attractions for the large majority of middle and working-class youth.

To obtain sufficient numbers of adequately qualified personnel, it appears essential to continue the Selective Service Act and to maintain relatively high mental standards. But while reliance on the draft will ensure closer contact of the military establishment with society, it will also increase the difficulty of preserving the traditional values necessary to an effective military force. There may be an escape from this dilemma in the concept of a

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"zero draft," whereby the Selective Service statute would be maintained, to be used only if necessary; this assumes, however, that sufficient numbers of adequately qualified volunteers will be attracted to a military career. The near-term prospects for this solution do not seem very bright, since it will depend upon a reduction in the extreme antimilitary attitudes currently prevalent in American society, a substantial allocation of resources for pay increases and improved living conditions, and imaginative measures by the military establishment to make service a rewarding professional experience rather than the unattractive occupation it is now perceived to be.

Regardless of the status of the draft, the military services undoubtedly will be expected to play a more direct institutional role in helping to solve domestic social problems. It is important, however, that organized military activities extend beyond the military establishment itself only in unusual circumstances, such as emergency disaster relief, in order to avoid involvement of the armed services in local politics and to prevent an unacceptable diversion of military units from necessary training. It is reasonable to expect a soldier to return to civilian society at the end of his enlistment better prepared for useful employment; Project Transition, designed to provide off-duty civilian job training to military personnel near the end of their service, probably should be expanded. Further, the services should make every effort to eliminate all forms of racial discrimination and provide genuinely equal opportunity for all. Individuals can contribute to local civilian projects, and certain organized activities for the underprivileged can be conducted on military installations.

However, it would be wrong to use military units to engage in civic action projects in American cities, as is frequently suggested, for this would thrust the armed services into sensitive activities for which they are unqualified. Poor performance in these projects, or even controversy over selection of priorities, could lead to further resentment of the military establishment. Indeed, while the services must not become isolated from civilian society, every precaution should be taken to avoid placing military organizations in adversary relationships with civilian communities; for example, regular armed forces should be used only as an absolute last resort in controlling civil disturbances, particularly in minority ghettos.

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VII

There is probably a good deal of truth in the adage that a democracy gets the military establishment it deserves. The attitudes of American society will set the tone and general limits within which the armed forces can adjust traditional concepts of professionalism to changing realities in international competition and coöperation, changing conceptions of the role of the United States in world affairs, and changing social values. But a continuing dialogue among civilians and military professionals is essential to elucidate the complex issues involved and increase understanding of them.

An effective military force is vital to U.S. foreign policy. Like the search for national security itself, a continuing effort is required to adapt military professionalism to modern demands. But to paraphrase Montaigne, both the journey and the arrivals at way stations matter. The military services must exercise initiative and imagination in developing institutional changes; in the final analysis, however, civilian leadership and resultant public support will determine the pace and difficulty of the journey.

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ECOCIDE AND THE GENEVA PROTOCOL

By L. Craig Johnstone

IN fighting the Indochina war, the United States has made extensive use of two chemical agents: tear gas and herbicides. As debate on the Geneva Protocol banning chemical and biological warfare continues within the U.S. Senate and the Administration, two highly charged issues—Vietnam and man's destruction of his environment—are likely to merge. For it is the Administration's contention that the United States should ratify the Protocol with the understanding "that it does not prohibit the use in war of riot-control agents [tear gas] and chemical herbicides." A large number of Senators, however, consider that the Protocol prohibits the use of both, and feel that the Administration understanding dilutes the significance of U.S. ratification. Consequently, the members of the Foreign Relations Committee are not likely to vote the Protocol out of committee in its present form. And until the President replies to their criticism it appears that no action will be taken on it.

Although debate both within the Administration and before the Senate Foreign Relations Committee has centered around the wording of the Protocol and how it is to be understood, partisans on both sides of the question admit that the issues involved are considerably broader and more complex. In addition to the question of the use of herbicides and tear gas in South Vietnam, the progress of current chemical and biological warfare discussions at the Conference of the Committee on Disarmament in Geneva may hinge on the outcome of the current "understandings debate" and the ultimate fate of the Protocol.

To date, the Nixon Administration has compiled an excellent record in limiting chemical and biological weapons. In November 1969 the President reaffirmed the renunciation by the United States of the first use of lethal chemical weapons and went beyond previous policy statements by including incapacitating chemicals as well. The President also unilaterally renounced all possession and use of biological weapons even on a retaliatory basis and went so far as to impose limitations on research in this field. In February 1970 the President extended these renunciations to include toxins (biologically produced chemical agents).

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Elaborate plans for destruction of existing stocks of various agents are presently being put into effect.

After the President submitted the Geneva Protocol to the Senate in August 1970, the Military Assistance Command in Vietnam ordered an end to the crop destruction program and a phase-out of the defoliation program. The momentum of this sequence of moves has contributed significantly to international efforts to reach agreement on prohibiting chemical and biological warfare. Much of this momentum will be threatened should the President be unable to obtain ratification of the Geneva Protocol or if the ratification should be obtained with understandings or interpretations which would bring the United States into dispute with many of the nations already parties to the Protocol.

Ironically the United States first proposed the Geneva Protocol in 1925 and now stands as the only major nation which is not a party to it. The substantive provisions of the Protocol read as follows:

> Whereas the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials or devices, has been justly condemned by the general opinion of the civilised world; and
>
> Whereas the prohibition of such use has been declared in Treaties to which the majority of Powers of the world are Parties; and
>
> To the end that this prohibition shall be universally accepted as a part of International Law, binding alike conscience and the practice of nations;
>
> Declare:
>
> That the High Contracting Parties, so far as they are not already Parties to Treaties prohibiting such use, accept this prohibition, agree to extend this prohibition to the use of bacteriological methods of warfare and agree to be bound as between themselves according to the terms of this declaration.

The Protocol was submitted to the Senate for advice and consent in 1926. After extensive lobbying by the U.S. Army Chemical Service, chemical manufacturers and veterans' organizations and others, it was sidetracked and never brought to a vote. It was returned to the President as part of a housecleaning effort during the Truman Administration many years later. No further action was taken until it was resubmitted to the Senate by President Nixon.

II

Although much could be said about the legal interpretation of the Protocol, the history of negotiations indicates that it is not possible to come to a definitive legal conclusion. Therefore, it

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seems more important to evaluate the alternative understandings on the basis of their contribution to the national interest. The following components of U.S. interests must be considered: the military consequences of alternative policies, both now and in the future; the impact of the current understanding on the intrinsic strength of the Protocol as an arms-control mechanism; the impact of the current understanding on other U.S. policies and objectives; and finally, but most significantly, the ethical and moral considerations.

Despite the American use of tear gas in Vietnam since 1964 there has been no systematic study of its utility in that country. (President Nixon recently ordered such a study but results are not expected until early 1972.) Almost all the data presented on the subject, both pro and con, have been anecdotal, and in Vietnam anecdotal information can be found to support or refute almost any contention. Clearly, in some circumstances, tear gas has proven to be operationally effective. Military commanders have noted that the use of tear gas had some beneficial effects initially, but has had less effect as enemy forces have become increasingly familiar with the tactic. Tear gas cannot be used effectively against disciplined armies provided with gas masks except when surprise plays an important role. Masks in use by the National Liberation Front (NLF) in South Vietnam include the Soviet Shlem mask, a Chinese mask and various field expedients. It is well within the logistical capability of the NLF and North Vietnamese Army (NVA) to provide masks, and recently, according to one U.S. military commander in the Delta, almost all main-force enemy troops have been so equipped. Despite its acknowledged utility in some circumstances, the use of tear gas in Vietnam has recently decreased to only a small percentage of the previous rate.

A desire on the part of the United States to keep options open for the use of tear gas and herbicides implies that these weapons will be more useful to the United States than to any potential enemy in future wars. Many military experts have questioned this assumption. First, in view of the superiority of the United States over potential enemies in conventional warfare it is doubtful that the use of tear gas or herbicides would markedly change any balance of military power. Second, enemy use of such weapons against the United States or its allies might well create as many difficulties for the United States as its own use would impose on the enemy.

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In guerrilla or insurgency warfare, where the United States would most likely find itself in the semi-static counter-guerrilla role, gas would probably be a tactical asset to the guerrilla because of his greater mobility and lesser vulnerability to surprise. Gas has considerable potential for use in situations where a guerrilla force surprises and attempts to overrun a fixed defensive position. Tear gas was used for this purpose in a recent successful attack on a U.S. fire support base in Vietnam. It is unlikely that it will play a significant role in major power confrontations or large-scale conventional wars. Certainly American use of gas would be precluded altogether if allied nations interpreted the Protocol to prohibit such use.

Chemical herbicides are used in war for defoliation and for crop destruction. Defoliation is used to facilitate observation of enemy troop movements and to deny areas to such troops. In cases of defoliation for observation purposes, once an area is defoliated and while it is undergoing regular surveillance, it is unlikely that the enemy will use it. There are frequently many alternative routes by which guerrillas or other forces can reach most destinations, particularly in a country like South Vietnam. The defoliation of one area merely forces the enemy to change his habits of movement, at most a logistical inconvenience. The use of defoliation for area denial has been more effective. An example can be found in the extensive defoliation of the Rung Sat Special Zone, south of Saigon. Here the defoliation program destroyed most of the mangrove forest in the area, effectively denying its use to large enemy units. The area, however, remains partially under the control of smaller enemy units.

Although defoliants have been used to clear roadsides, their effectiveness for this purpose has been disputed by many military commanders who have argued in favor of the use of Rome Plows and other methods. Evidence from enemy documents indicates that the primary concern of the Vietcong with respect to the defoliation program deals with the effects the defoliant might have had on personal health, not on strategic considerations.

Herbicides have also been used in the crop destruction program, considered by many to be the least effective U.S. program in the war. Long after food denial ceased to be a serious strategic objective the crop destruction program continued. The generally effective logistical structure of the Vietcong made efforts to control rice production and distribution ineffective.

Neither the crop destruction program nor the defoliation pro-

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gram was anything but a liability to pacification. Surveys conducted by local interview teams demonstrated that the use of defoliants was a matter of major concern to South Vietnamese peasants. A wide variety of real or imagined ills were generally attributed to their use. Accidents involving defoliants were not unusual and the bureaucratic procedure of the Vietnamese government in settling claims was not able to cope with the problems when they arose. In short, the use of herbicides in South Vietnam has carried with it several negative consequences which significantly outweigh their limited utility. This factor as much as any other led to the Administration's decision earlier this year to discontinue the crop destruction program and to phase out the defoliation program.

While the effectiveness of tear gas and herbicides in advancing U.S. objectives in South Vietnam may be open to further debate, it seems certain that neither chemical has played a major role in the war. Clearly the military need for the use of these agents in South Vietnam is not, in itself, sufficient justification for the U.S. position on the Geneva Protocol. This becomes increasingly true with each withdrawal of ground combat forces and the resulting decline in tear gas use.

III

The strength of the Geneva Protocol as an arms-control mechanism depends largely on the degree to which the parties to the Protocol agree on the nature of its prohibitions, and the extent to which the prohibitions can be clearly defined. In December 1969 a resolution in the United Nations General Assembly, designed to include both tear gas and herbicide use within the meaning of the Geneva Protocol, passed by an 80 to three margin with 36 abstentions. (Portugal joined the United States and Australia in voting against the resolution probably because of Portugal's use of herbicides for crop destruction and defoliation in Angola.) There can be little doubt as to where the majority of nations stand on this issue. If the United States ratifies the Protocol with the present understanding, the socialist nations, the majority of neutrals, and a sizable number of allies will not agree with the American position. However, if the United States took the initiative in interpreting the Protocol to include the prohibition of these chemical agents there is no doubt that a near unanimity of opinion could be obtained. This would greatly strengthen the Protocol.

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In the interest of making international agreements enforceable, boundaries, prohibitions and limitations must be easily definable and conform as much as possible to natural dividing points. For this reason it has proven most desirable for international boundaries to be along rivers, mountain peaks, even clearly defined international geodesic lines, etc. When this principle is applied to the prohibition of gas in warfare, it dictates that a line should be drawn at a clearly definable point on the scale between "no gas" use and "total gas" use. It is argued by some proponents of the noninclusive Protocol interpretation that the distinction between the use of lethal gas and riot-control agents in warfare is a sufficiently clear distinction to allow all parties concerned to understand and abide by it.

This, however, is a dubious proposition. First, it must be understood that there is no agent which can be used in war with military effects which is nonlethal under all circumstances. Even the highly perfected tear gas, CS, used by the United States in South Vietnam, can be lethal where the victim is very old, very ill, or unable to escape the immediate area. While mortalities are very rare with the use of CS, there is no assurance that an enemy will necessarily use this form of tear gas. Therefore, some agreement would have to be reached on the exact degree of lethality which would be permitted. If, in fact, an agreement could be reached, it would be extremely difficult to determine whether a gas was causing three percent or five percent fatalities, or whether increased fatalities were due to stronger gas or increased quantitative use.

Another argument used by proponents of the U.S. interpretation is based on the "domestic-use" criterion; they argue that the Protocol should not prohibit for use in war chemical agents which are commonly used in time of peace. Domestically, tear gas is used for civil law enforcement and herbicides are used for agriculture. This argument has been widely used but it breaks down when we consider that the use of these chemicals in time of peace is quite different than it is during war. Nowhere in peacetime is tear gas used indirectly as a means of inflicting lethal casualties. Herbicides are not used for crop destruction or systematic forest defoliation in their normal domestic applications. In Vietnam, tear gas is delivered by mortars, artillery, helicopters, fixed-wing aircraft and mechanical blowers, none of which is used in domestic applications. In Vietnam, herbicides

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have been used to kill crops; in domestic use the purpose is to kill weeds in order to grow crops.

Problems associated with a less than comprehensive definition of gas restrictions can be seen by considering the difficulties of the U.S. Government in its attempt to enforce a tear gas policy in Vietnam. The public outcry over the use of tear gas in March 1965 led to a temporary ban on the use of such agents in South Vietnam. The weapons were not removed from the field, however, and it was only a short time before the use of gas began again. When the policy review on the matter was undertaken the same year, the State Department agreed that gas could be used in Vietnam if its use was confined to criteria set by Secretary Rusk. In a news conference on March 23, 1965, the Secretary stated: "These weapons will be used only in those situations involving riot control or in those situations analogous to riot control." Military expediency eroded the restrictions, however, and the attempt to limit the use of tear gas was a failure. The "riot-control" criterion was ineffective because it was ambiguous. Just as efforts to limit the use of tear gas at other than the "no tear gas" level broke down under the strain of combat, so, too, will the efforts to limit gas as a whole be severely strained under anything but the "no gas" interpretation. As Thomas Schelling notes in "The Strategy of Conflict": " 'Some gas' raises complicated questions of how much, where, under what circumstances: 'no gas' is simple and unambiguous . . . there is a simplicity to 'no gas' that makes it almost uniquely a focus for agreement."

While the potential for escalation of gas warfare is essentially qualitative, the potential for escalation of herbicide use is quantitative. In South Vietnam the United States has perfected the use of herbicides as anti-crop agents to a sufficiently high level that further qualitative efforts would not seem necessary. The techniques used in South Vietnam to destroy large quantities of crops can be used by other nations on almost any scale, including the systematic destruction of a nation's food production capability. Herbicides are used and manufactured for agricultural purposes in many countries of the world. It is well within the economic and technical capability of almost any nation to produce chemical herbicides as instruments of war, and to develop methods for delivering them. Using simple crop-dusting aircraft or converted military aircraft, a small nation can create enormous devastation in an opposing country at a fraction

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of the cost of other mass destruction techniques (except perhaps bacteriological warfare). Without benefit of "no first use" taboos such as those associated with the use of nuclear weapons, it is difficult to distinguish a level at which herbicidal escalation could be stopped or reversed.

The use of herbicides raises important environmental questions. Does the United States wish to be identified with a program which can so drastically affect environmental balances where it is used? Some of the forests of South Vietnam have been seriously damaged by the use of herbicides. Over large areas, the dead trees are quickly replaced by bamboo, making reforestation difficult. The herbicide-treated mangrove forests of the Rung Sat Special Zone and other areas have been completely destroyed. Many scientists have expressed concern over the possible effects of herbicides on humans. The principal military herbicide, Agent Orange, was banned from further use in 1970 due to preliminary evidence of the possibility that it produced birth defects after it had been used extensively in Vietnam. Of the two remaining agents used there today, neither is allowed for general agricultural use in the United States because of possible environmental and toxic effects. At a time when the United States is experiencing a growing environmental consciousness and can be expected to embark on a campaign for worldwide attention to environmental problems, the extension of a policy allowing systematic environmental destruction is both inconsistent and counterproductive.

IV

Ethical arguments have been advanced on both sides of the Protocol issue. Proponents of the Administration's understanding have argued that tear gas is basically a humanitarian weapon which should not be prohibited for use in war. In most domestic cases tear gas is used by police because the offenses committed do not warrant the use of potentially lethal weapons. The Geneva Protocol by any interpretation would not limit the use of tear gas in normal police activities, even within a country at war. At the time of the policy debates on the tear gas issue, many felt that there were some unique humanitarian applications possible in war. It was argued that in cases where civilians were being used as a screen by the enemy, tear gas could incapacitate all parties involved, allowing time for separation and identifica-

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tion. In addition, it was felt that tear gas could be used to capture prisoners from tunnel complexes or caves. It was these humanitarian uses of tear gas which formed the most compelling arguments in the interagency debate in 1965, leading to Secretary Rusk's declaration that year.

The policies of 1965, however, have not proven realistic. Unfortunately, the use of tear gas in Vietnam has demonstrated conclusively that rather than being a humanitarian weapon of warfare, tear gas is most frequently used as a conventional military weapon to bring about indirect lethal effects. Since the Rusk statement in 1965 the use of tear gas in riot-control situations and in situations analogous to riot control has represented only a small fraction of the total use.

The use of herbicides to destroy crops also involves highly significant ethical considerations. In the course of investigations of the program in Saigon and in the provinces of Vietnam, I found that the program was having much more profound effects on civilian noncombatants than on the enemy. Evaluations sponsored by a number of official and unofficial agencies have all concluded that a very high percentage of all the food destroyed under the crop destruction program had been destined for civilian, not military, use. The program had its greatest effects on the enemy-controlled civilian populations of central and northern South Vietnam. In Vietnam the crop destruction program created widespread misery and many refugees.

It must be asked whether such a policy does not violate the nation's basic ethical standards. I believe it is a fair assumption that the national security is not only involved with physical security but also embraces the democratic and ethical concepts which form the basic raison d'être of the nation. It is important that the tactics used by the nation to preserve its security not come into conflict with the basic concepts which these tactics seek to secure. It is contrary to the broader meanings of the U.S. national purpose to perpetuate the use of tactics such as crop destruction in warfare.

It is important that the future of the Geneva Protocol not be solely dependent on the complex arguments relating to the immediate national interest. At this time, more so than at any other, the United States is in a position in which it can have a profound effect on the future of mankind. Historically, this era will be judged according to its ability to advance its technologi-

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cal capabilities for growth and development and to retard or restrict these same abilities for destruction. The Geneva Protocol of 1925 was a relatively small effort to achieve these objectives, but it was an important one. In this spirit the United States has recently taken the lead in efforts to prevent the proliferation of nuclear weapons, to propose negotiations which could lead to arms limitations, and to take a stand in opposition to the use of biological and lethal chemical weapons. It is in keeping with this historical trend that the present Administration must decide the fate of the Geneva Protocol. The alternatives facing the President are clear. If the current U.S. understanding is reversed or modified to include prohibitions against tear gas and herbicide use or if a concrete means can be presented to the Senate whereby the issue might be resolved among the parties, the Protocol would likely move to prompt Senate ratification. If not, there is little likelihood that the Protocol will be ratified during this session of the Congress. In making its decision the Administration must balance short-term military expediency against the long-term objective of prohibiting chemical and biological warfare.

In recognition of the dangerous consequences of eroding the meaning of the Protocol, and in recognition of the rapidly decreasing requirements for chemical herbicides and tear gas in South Vietnam, there is little question that the United States should now strive to obtain a unanimous interpretation of the Geneva Protocol to prohibit the use in war of all gases, bacteriological weapons and herbicides.

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THE PERSIAN GULF: AFTER THE BRITISH RAJ

By David Holden

WHEN Sir Alec Douglas-Home, the British Foreign Secretary, told the House of Commons in March that all permanent British forces in the Persian Gulf would be withdrawn by the beginning of 1972 he signaled the end of the last important vestige of the nineteenth century's *Pax Britannica* and opened the door to what could be a major, and possibly painful, reconstruction of the Middle Eastern map.

Ever since Britain signed her first Arabian treaty with the Sultan of Muscat in 1798, in a successful attempt to close the Gulf to French naval forces during the Napoleonic wars, a "special relationship" has existed between Britain and the territories around the Gulf. In Persia, as Iran was generally known until after the Second World War, the British established a sphere of interest so important to them as an answer to Russia's imperial designs upon India that for a time in the nineteenth century there were two separate British diplomatic missions in Tehran—one appointed by the British Government in India and the other from the London Foreign Office. On the Arab shore of the Gulf the relationship was for many decades more arbitrary and more tenuous, being based essentially upon the exercise of Britain's maritime power over a number of scattered, impoverished and generally piratical coastal tribes. These were compelled by the threats of gunboat diplomacy to sign a series of treaties suppressing piracy and the slave trade and eventually granting Britain exclusive rights to the control of their foreign affairs and defense, in return for a promise of British protection. At its peak, during and immediately after the First World War, this apparatus of British hegemony was complete from one end of the Gulf to the other, comprising special relationships, written or unwritten, with all the Gulf states, great or small, including Persia, Iraq and Saudi Arabia.

The rise of local nationalism, the development of the Gulf oil industry and the fall of Britain's Indian Empire a quarter-of-a-century ago changed most of that. Today all that is left of the complex yet effective structure of British power in the Gulf, which imposed a rough stability upon its affairs for the better

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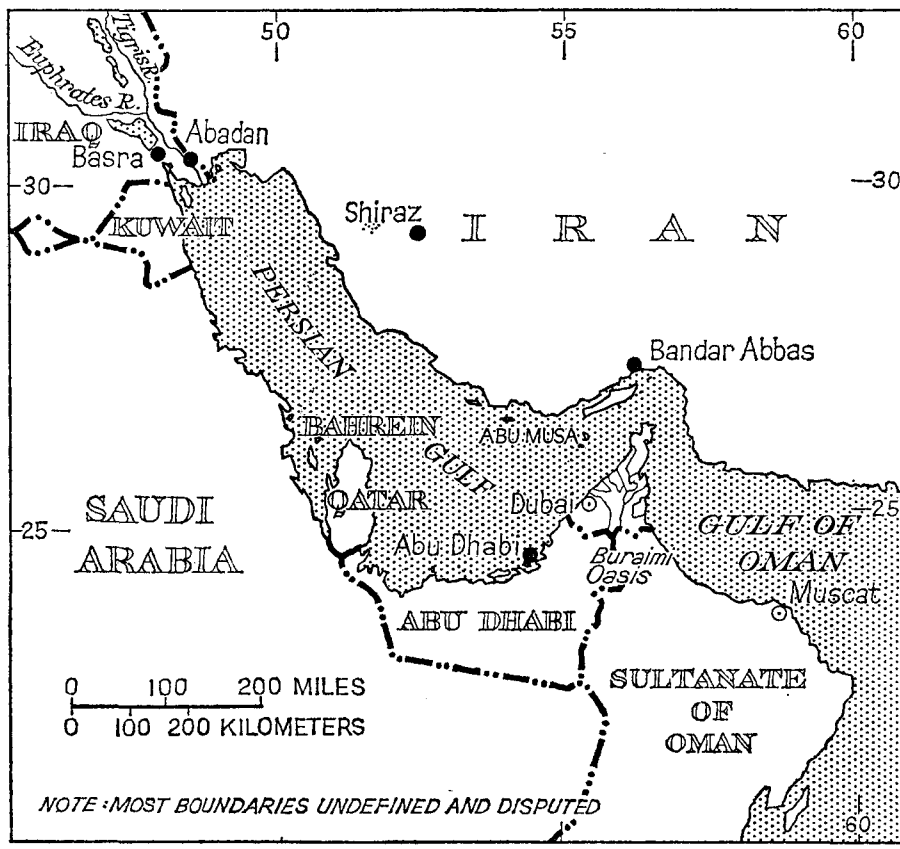
part of 150 years, is the so-called Trucial system in the lower Gulf, with which—after that first treaty with the Sultan of Muscat—it all began. In a few months from now that, too, will disappear; and for the first time since the heyday of Britain's East India Company all the territories around the Gulf will be at liberty to seek their own salvation without the threat of British intervention or the comfort of British protection.



This final remnant of the British Raj—for that, in effect, is what it is—has been for some years now an obvious, if in some ways charming, anachronism. Its basis was a "perpetual maritime truce" forced upon the unruly coastal tribes of Oman in 1853 and extended later to the nearby shaikhdoms of Qatar and Bahrein. Its result in our own day has been the extension of British protection to nine tiny, quasi-independent states which, since the discovery of oil, have included some of the richest, some of the smallest and some of the poorest states in the world.

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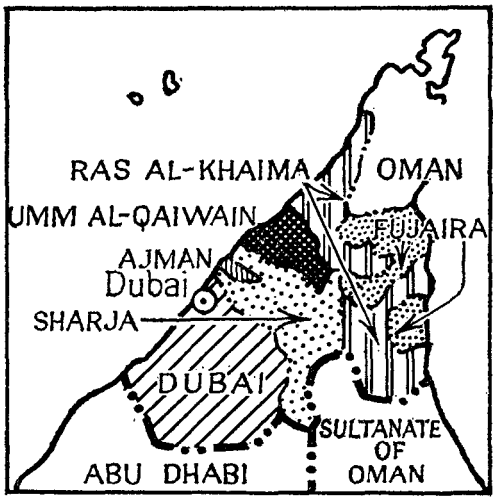
Bahrein, with 200,000 people and a small oil field now 40 years old, has by far the largest and most sophisticated population of these nine states. The Trucial Shaikhdom of Abu Dhabi, with a population of around 25,000 and an oil income of some £120 million a year is by far the richest—per capita, the richest state in the world, bar none—although only ten years ago it was sunk in the traditional penury of desert isolation.

Qatar lies roughly midway in riches between these two and Dubai, the biggest of the seven Trucial Shaikhdoms, with about 70,000 people, whose flourishing entrepôt and gold smuggling trade as well as a small new offshore oil field make it the commercial center of the Trucial Coast.



THE TRUCIAL STATES

The remaining five Trucial Shaikhdoms—Sharja, Ajman, Umm al-Qaiwain, Ras al-Khaima and Fujaira—are scarcely more than strips of desert and lagoon interspersed with fishing villages. Their populations vary from about 5,000 to 20,000 each, their chief pastime is dreaming of the day when they, too, may strike it rich, and their principal sources of income meanwhile are bizarre excursions into the field of international philately and the money obtained from an almost equally bizarre assortment of oil companies for exploration concessions that have so far proved unrewarding. Of these five, only Sharja has any pretensions to prosperity, derived mostly from the presence of a British military base and airfield which will be among those partially sacrificed in the British withdrawal.

II

This withdrawal itself has two aspects. The first is the military one, involving the recall of about 6,000 British ground troops stationed in Bahrein and Sharja, together with their air support units. The second is political, and follows from the first: the

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termination of the old treaties of protection and their replacement by a simple treaty of friendship, carrying no significant obligations for either side. It is proposed, however, that a British "presence" shall continue in the Gulf through the use of existing airfields as staging posts for the Royal Air Force, as well as through occasional naval visits, specialized desert training for small British Army units and, most importantly, the provision of British officers and equipment for local armed forces. In addition, Britain will continue its present arrangements with the neighboring Sultanate of Oman where de facto British protection has existed since 1798. These arrangements are now regulated by an exchange of letters which took place between Britain and the former Sultan in 1955, in which Britain undertook to train and equip the Sultan's forces in exchange for staging rights on the airfield of Masirah, an island off the southern coast of the Sultanate.[1]

In spite of these qualifications, however, the purpose of the British withdrawal is clear: to disengage, as far as possible, from military and political commitments which have become increasingly untenable. In terms of the Gulf's history, where the British umbrella has provided the only guarantee of stability for the past 150 years, this is tantamount to a diplomatic and strategic revolution; and the fact that it is accompanied by equally radical economic, social and political changes within the Gulf territories themselves as a consequence of soaring oil wealth and burgeoning nationalism only multiplies the uncertainties and tensions which it must release throughout the region.

The decision to withdraw was not taken, therefore, without misgiving. As late as the beginning of 1968 Britain's Labour Government of the day was committed to maintaining the special British position in the Gulf in the belief that it might ensure stability there for a few more years. Only when a sharply deteriorating balance of payments forced London to reduce its overseas defense commitments did withdrawal from the Gulf become one of the imperatives of Labour's policy, with Harold Wilson's announcement that all British forces would be withdrawn from "East of Suez." In opposition, the Conservative Party condemned this policy as a "scuttle;" and after its return to power in June 1970, one of Sir Alec Douglas-Home's first moves was to begin a series of consultations with Gulf rulers,

[1] The Sultanate of Muscat and Oman changed its name officially to the Sultanate of Oman after the palace coup of July 1970.

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from the Shah of Iran downwards, to see whether a reversal of Labour policy was either practicable or desirable. Many critics in Britain and America believed strongly that it was both, pointing especially to the need to secure the Gulf's vital oil resources (amounting to approximately two-thirds of the non-communist world's proved reserves) against Arab intransigence or Soviet-inspired subversion and arguing that the low foreign exchange cost of maintaining the British forces there (estimated at about £17 million a year) was a minimal insurance premium for the £2,000 million or so of annual revenues to Western oil companies from their Gulf production. Without the British presence, the critics said, the Gulf might become an area of persistent unrest in which local conflicts between rival Arab states and subversive movements as well as international tension between Arabs and Iranians could erupt and be exploited by the Soviet Union, imperiling Western oil interests and supplies.

Such risks certainly cannot be ignored. Historically, the Gulf has usually been an area of division and flux rather than of unity and stability, partly because it marks the line of stress between rival Arab and Persian cultures and partly because it lacks any indigenous focus for its small and scattered Arab communities. Only sporadically and by conquest has unity been imposed upon its disparate elements: once by the Arabs after the birth of Islam when they swept into Persia with their new religion and, for a time, controlled both shores; more than once by the Persians who have several times occupied parts of the Arab shore; and in the last two centuries by the diffuse overlordship of the British imperial system. If the last-named disappears without any international or regional system of security to replace it the prospect of renewed instability must, on the face of things, be rated pretty high. For the sake of clarity it will be as well to consider the threats of disorder, in this case, under three separate though somewhat overlapping headings: territorial disputes, revolutionary movements and external influences.

III

The territorial disputes in the area comprise a formidable list, ranging from a general sense of territorial rivalry (as well as cultural suspicion) between Iran on one side and the Arabs on the other, to the intricate but damaging squabbles of the tiny Trucial Shaikhdoms. Between Iraq and Iran there are conflict-

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ing claims to navigation rights in the Shatt al-Arab waterway at the mouth of the Tigris-Euphrates and a long-standing dispute over Iranian sovereignty in the neighboring province of Khuzistan. In addition, Iraq has accused Iran of fomenting the sporadic Kurdish rebellion in northern Iraq and also of using her position as the leading Shiite Muslim country to stir up trouble among the large Shiite community in Iraq.[2] These disputes are exacerbated by the ideological antipathy of the "revolutionary" Baath (Socialist Renaissance) Party régime in Iraq for the allegedly "monarchist-imperialist" rule of the Shah in Iran.

Between Iran and Saudi Arabia and some of the smaller shaikhdoms there have been several disputes over the so-called median line in the Gulf, which demarcates the areas of offshore oil exploration and exploitation, and between Iran and two of the Trucial Shaikhdoms there is an urgent and possibly explosive contention over the disposition of three tiny islands near the mouth of the Gulf. The biggest of these, Abu Musa, has a shifting population of only a few dozen Arab fishermen and has been regarded up to now by the British, in their traditional capacity as arbiters of Gulf affairs, as being part of the territory of Sharja. The other two, known as the Tumbs, are even smaller and virtually uninhabited, and have been listed so far among the domains of Ras al-Khaima. Iran now argues that this allocation of sovereignty was mistaken and was acceptable only as long as Britain remained responsible for the foreign affairs of the Trucial States. Now that Britain is abandoning that responsibility Iran is reasserting its claim to sovereignty, supporting it with the strategic argument that possession of these islands by weak and unstable Arab régimes could lead to their occupation by revolutionary or hostile forces which might then be able to impose a blockade on Iran's vital oil trade through the mouth of the Gulf.

On the Arab side, internecine territorial or family disputes are legion. Iraq has not wholly abandoned its hope of seizing the rich oil shaikhdom of Kuwait, to which the late General Kassem laid claim in 1961 only to be thwarted by the last major action of British forces in the Gulf. Saudi Arabia has recently reaffirmed its claim to the Oasis of Buraimi whose eight small villages have

[2] The division between Shiite and Sunni Muslims is the chief religious schism in Islam. A majority of Arabs belong to the Sunni groups, while almost all Iranians are Shiite. There are significant Shiite communities among the Gulf Arabs, however, especially in Iraq and Bahrein.

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been shared until now between the Shaikhdoms of Abu Dhabi (six) and the Sultanate of Oman (two)—both under British protection. On the other hand, there is a traditional link of overlordship between several of the shaikhs of the Trucial Coast and the Sultan of Oman that has been in abeyance for over a century but may well be revived in the near future; while between the Trucial Shaikhdoms themselves there are complex family jealousies and unresolved territorial disputes which resulted in frequent tribal war and murder up to 1948 and which might yet lead to more of the same in the absence of a British referee. One of these disputes currently under review involves the offshore boundaries of Sharja and Ajman and conflicting claims to exploration rights around the island of Abu Musa advanced by two American oil companies.

The second factor threatening the stability of the area—revolutionary movements—is partly a result of the rapid growth of oil wealth in recent years. All the traditional régimes around the Gulf are now subject to some degree to the menace of modern revolutionary movements feeding upon a combination of old tribal jealousies and the usual resentments of a disoriented new class. Until the 1967 Arab-Israeli war, much of the external support for these movements came from Cairo, but the change in Egyptian policies since then has left the field open to two other contenders for the revolutionary spoils. First is the Baathist régime in Baghdad, which is hostile to all forms of traditional government—particularly Shaikhs, Sultans and Shahs—and which has been extending its cells lately in Kuwait, Bahrein and even in Dubai and Abu Dhabi on the Trucial Coast. The second, and currently more menacing, movement is the so-called Popular Front for the Liberation of the Occupied Arab Gulf (PFLOAG) which is an extension of the earlier Dhofar Liberation Front—an indigenous movement against the rule of the former Sultan of Muscat and Oman in his southernmost province of Dhofar. PFLOAG is now greatly influenced by the Marxist government of the People's Republic of Yemen (formerly South Arabia) which took over in Aden after the British withdrawal from there at the end of 1967; and there have been persistent reports from British sources of Chinese advisers and arms filtering through from Aden to aid the PFLOAG rebels in Dhofar.

Their grip on most of the interior of Dhofar and the threat of their extension through the mountains of Oman into the Gulf

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shaikhdoms was the principal reason for the palace coup of July 1970, in which the old and reactionary Sultan of Muscat was overthrown by his son, Qabus. He, in turn, is now trying to overcome the poverty and isolation of the last century in his kingdom by spending the Sultanate's new oil revenues of approximately £40 million a year on economic development. Qabus is handicapped in this, however, by the simultaneous need to increase his small armed forces to cope with the Dhofari rebels. Success on both fronts—if it can be achieved at all—is likely to come slowly. The situation in the Sultanate meanwhile cannot be regarded as stable; and from the British view there remains a risk that the obligations involved in the 1955 exchange of letters could drag U.K. forces into a minor war with the Dhofari rebels.

Finally, there are four chief external influences which (apart from the possibility of Chinese influence in southern Yemen and Dhofar) may increase the instability of the area. First, there is the residue of the old British presence which will remain after 1971. There is little doubt that as long as the current régimes in Bahrein, Qatar and the seven Trucial States remain in power they will continue to follow the habits of the past 150 years and look to Britain for help and advice, even if direct military protection is denied them. To this extent Britain may continue to contribute to stability. There is, however, an obvious risk that even the greatly diminished British presence will arouse hostility among the revolutionaries and the discontented, without providing the strength on the ground to combat that hostility. Next, there is the American commercial presence manifested chiefly in the big U.S. oil companies which control between them about two-thirds of all production from the territories around the Gulf. They, too, are a stabilizing force in so far as they produce the cash which all the Gulf régimes desire, but they are also natural targets for "anti-imperialist" hostility. Third, there is a cautiously expanding Russian influence in the area, expressed partly through arms and commercial deals with Iran, partly through the establishment of diplomatic missions, as in Kuwait, and partly through the classic medium of naval visits to Gulf ports. The direction of Soviet policy here, however, is still unclear and its capacity for creating trouble may be limited by the Russian desire to remain equally friendly, if possible, with both Iran and the Arabs as well as by the uncertain relationship of future Russian and world oil requirements.

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Lastly, and probably most importantly, there remains beyond these great-power interests the influence of the Arab-Israeli dispute. If there is no peace agreement there a renewal of extremist Palestinian activity is likely, together with a general strengthening of left-wing and possibly Maoist influences throughout the Arab world. This could be reflected in unrest in Kuwait, where the immigrant Palestinian population is large and potentially restive and also in Saudi Arabia, where the aging King Faisal has suffered several attempts in recent years to overthrow or modify his régime. A Libyan-type coup d'état in Saudi Arabia would have profound repercussions throughout the Gulf, and cannot be discounted. A further round of Arab-Israeli fighting might also exacerbate relations between the Arab states and Iran, whose National Oil Company is Israel's chief source of oil. The Western oil companies also might be subjected to growing Arab pressure, if only as a means of gaining revenge for Western failure to "compel" Israel to make peace on terms acceptable to the Arab governments.

IV

In view of all these actual or potential sources of radical change or instability the Gulf must be regarded as on the brink of a period of upheaval greater than anything it has known since the British Raj took it under its capacious wing. It is understandable, therefore, that the British decision to withdraw was greeted in some quarters with dismay. Yet two crucial arguments support the decision. First, the value of British troops as an "insurance premium" for the Gulf's oil supplies has proved illusory in the past and looks still more illusory for the future. British forces were unable to do anything to prevent Dr. Mossadeq from cutting off Iranian oil supplies in the Abadan crisis of 1951, or to ensure the uninterrupted flow of oil from Saudi Arabia or Iraq in the Suez crisis of 1956 and the Arab-Israeli war of 1967. They were also utterly irrelevant to the Tehran oil negotiations earlier this year when the oil-producing countries drove an unprecedentedly hard bargain with the companies purely on the basis of their strength in a sellers' market. Second, to retain British forces in the Gulf once their withdrawal had been promised would have done more than any other single thing to promote the disorder which their continued presence would have been supposed to prevent.

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In his consultations after June 1970, Sir Alec Douglas-Home was clearly looking for someone in the Gulf who would give him the excuse to say that the British would stay. But no such excuse was offered him. All the major powers of the Gulf—Iran, Iraq, Saudi Arabia and Kuwait—were adamant that Britain should honor her withdrawal commitment. So were all the other Arab states beyond the Gulf; and although the smaller Gulf shaikhdoms evinced a clear private preference for the old British protection, only one—Dubai—was prepared to so much as hint in public that Britain should change her mind. Under these circumstances any effort by Britain to retain permanent forces in the area after 1971 would have been interpreted as a return to "imperialism" and would have provided the Iraqi and Dhofari revolutionaries—not to mention the Soviet Union and China—with the best possible grounds for capturing young hearts and minds throughout the Gulf. Egypt then would almost certainly have felt obliged to return to the fray, adding powerfully to the chorus of denunciation in order to retain her leadership in the rest of the Arab world. The result would have been, inevitably, to place Britain and the Western interests she would have been ostensibly defending in an impossible position—pilloried by their enemies and deserted by their friends, with the prospect in the fairly near future of British forces being employed to protect shaikhly rulers and their disputed territorial boundaries against local revolution or aggression.

This prospect is now excluded; yet the vacuum of power which will remain after 1971 will also be dangerous, and it is not easy to see how it will be filled. No external power seems likely to replace the old British presence with its own. The U.S. Government is in no mood to take on new Middle East commitments, nor would its intervention be welcomed by any of the states concerned. The Soviet Union would find overt support to revolutionary movements damaging to its current posture in Iran and Kuwait. On the other hand, local security arrangements are still embryonic and, in their present form, seem increasingly likely to be stillborn. Indeed, the most unfortunate aspect of the uncertainty about British intentions introduced by the Conservative Party and Government after 1968 was the encouragement it offered, until March of this year, to Bahrein, Qatar and the Trucial Shaikhdoms to postpone firm decisions about their own future in the hope that Britain might, after all, decide to stay on.

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Now, with only a few months left before the British withdrawal, the creation of realistic local arrangements to take the place of the old British protection is going to be a hurried and probably botched affair.

A beginning with local security systems was made, in some panic, when the Union of Arab Emirates thrust itself upon a somewhat skeptical world in 1968, immediately after the Labour Government's announcement of its intention to withdraw British forces from the Gulf by the end of this year. The Union declared itself to be a federation (the implied contradiction between these two terms is typical of its inability so far to make up its mind on the most fundamental matters) of "the nine"—Bahrein, Qatar and the seven Trucial States—which together would compose a viable, independent entity to which Britain could transfer its defense and foreign affairs responsibilities before withdrawing from the scene. To the surprise of no one who knows the Gulf, however, the Union proved a decidedly spastic infant whose future now seems certain to lie alongside such other short-lived postcolonial federations as those of South Arabia, Malaysia and Central Africa. In spite of repeated meetings, much rhetoric and a good deal of unconcealed arm-twisting by Britain, Kuwait and Saudi Arabia, the nine have achieved little beyond declarations of intent whose pious promises are more than outweighed by the sort of practical rivalry that has resulted in three separate "international" airports on the Trucial Coast within 100 miles of each other (Abu Dhabi, Dubai and Sharja), and at least four separate armed forces (Abu Dhabi, Qatar, Ras al-Khaima and the Trucial Oman Scouts, the last-named a unified force under British command).

Much of the reluctance to advance toward federation results from old inter-tribal jealousies, especially among the four principal shaikhdoms. The ruling families of Bahrein and Qatar have a long history of enmity, as also do those of Dubai and Abu Dhabi. On the other hand, Dubai and Qatar have close ties of marriage which in turn make the relationship of Dubai and Bahrein uneasy, while all four have contended jealously for a special position within a federation based on their respective claims to influence. With its relatively large and well-educated population—almost twice that of all seven Trucial States together—Bahrein insists upon additional power and preferably the privilege of providing the federal capital as well. Abu Dhabi

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replies that as the richest of the nine it is entitled to equally preferential treatment. Qatar tries to keep up with both. And Dubai, with two-thirds of Trucial Oman's population and a highly successful record of commercial enterprise, bolstered by a large Iranian immigrant community and the benevolent interest of Tehran, is inclined to opt out of the federal structure altogether and continue independently as a free port—the Hong Kong or Beirut of the Gulf.

V

To resolve these ancient conflicts in the time now available before British withdrawal seems impossible; other avenues will need to be explored. Pressure is already growing rapidly in Bahrein for independence on the Kuwaiti model, with membership in the United Nations, a gradual increase in representative forms of government under the ruling shaikh and a degree of protection from Saudi Arabia. If that happens, Qatar will probably follow suit, finding an equal protection in Saudi Arabia, with which there are, in any case, close religious ties through the puritanical Wahhabi sect of the Sunni Muslims. A federation of the seven Trucial Shaikhdoms would then seem the last possibility.

But this, too, could disappear over the horizon within the coming year as a result of a threefold rivalry between Abu Dhabi, Dubai and a revivified Sultanate of Oman under its new ruler, Qabus. The four tiniest shaikhdoms have already shown some interest in restoring relations with the Sultanate which could, in time, lead to the creation of a "Greater Oman" such as sometimes existed under earlier Sultans before the British froze the tribal pattern as they happened to find it in the nineteenth century. Dubai, supported by Iran, would then seek to remain independent, and Abu Dhabi would be confronted with the choice of either entering some kind of federal relationship with the new Oman or, conceivably, falling prey to Saudi Arabia, intent upon asserting its claim to Buraimi. An alternative scenario suggests that Abu Dhabi may use its wealth and its new armed forces—with 4,000 soldiers and a small but modern air force this is now easily the strongest of the nine shaikhdoms —to absorb at least four of the other Trucial States, leaving Dubai and possibly Sharja to fend for themselves as best they could.

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Meanwhile, two more immediate problems must be solved if the lower Gulf is not to be abandoned to turmoil. One is the disposition of the Trucial Oman Scouts, a competent force of some 2,000 men which has kept the peace throughout the Trucial Coast for nearly 20 years under British authority and now is looking for a new master. The other, potentially more dangerous, is the fate of the three small islands at the mouth of the Gulf to which Iran lays claim. There was some hope in 1970 that Iran's claim might be settled as part of a package deal over a similar claim to Iranian sovereignty in Bahrein. Initially, Iran refused to accept any federation of the nine shaikhdoms until its Bahrein aspirations had been dealt with, although these were neither historically nor geographically well founded. Two years of delicate negotiation were required before all parties agreed last year to the face-saving device of a U.N. mission of inquiry which duly reported that the Bahreinis believed themselves to be Arabs rather than Persians and wished to exercise their right to self-determination in that capacity.

With that, Iran generously abandoned her claim, only, however, to insist more vigorously upon her other claim to Abu Musa and the Tumbs. Hopes of a package deal have been dashed, and the Shah seems adamant in his determination to take possession of these islands, willy-nilly. The Iranians point out that it will be easier for him to do so before the British leave than afterward, for Britain—as a final act of penitence for the "sins" of the Raj, perhaps?—can easily bear the Arab odium that may be involved in handing them to Iran.

After Britain has ceased to be responsible for the affairs of the Trucial States, on the other hand, any attempt to seize the islands by force might place Iran in the embarrassing position of taking action against fellow members of the United Nations, assuming that the Trucial States had by then attained some internationally recognized and independent form. Iran is willing to pay the Trucial rulers compensation, and there is little doubt that if Arab pride could be surmounted the rulers would happily settle for that. But Arab pride is easily touched; and the "sacrifice" to Iran of portions of the "sacred soil of Arabism"—however small and unproductive—might undermine the fragile solidarity between Iran and the Arab traditionalists in Saudi Arabia, Kuwait and elsewhere, and would certainly present the Iraqi and Dhofari revolutionaries with an apt rallying cry. The

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fundamental division of the Gulf between Arabs and Persians would then be uppermost, with serious and possibly violent repercussions on both sides.

In the last resort there is little doubt that Iran would win a purely military contest among the Gulf states, with her powerful armed forces and her larger and more cohesive population. But the struggle, if it comes, is unlikely to be a purely military one. Diplomatic, ideological and commercial battles would be more probable, in which the Western powers—and probably Russia, too—might be forced to choose between Iran and the Arabs. For the Western powers, especially, that choice might be all the more uncomfortable for knowing that it would be linked in Arab minds with their stance on the Arab-Israeli crisis as well, in view of Iran's oil shipments to Israel.

One cannot safely look more than a year or two ahead in the Gulf in any case; and it is not at all out of the reckoning that within the next few months we shall be forced to recognize the Gulf as an area of major international instability and concern. The fact is that whatever happens the Gulf has already entered a new period of flux in which neither existing boundaries nor traditional régimes can be expected to prevail. The combination of the economic and social revolutions now under way in the wake of oil riches and modern nationalism, and the diplomatic and strategic revolution implicit in the British withdrawal will obviously generate extensive change, although perhaps not immediately. If one looks for comfort in what must seem to many a disturbing scene, it is probably best found in the element that inspires most of the concern: oil.

It is true that oil and the wealth it has generated have been the principal catalysts of change in the Gulf so far, and will no doubt continue to be so for years to come. But it is also true that oil has been, and may remain, one of the best safeguards against total disorder. As the late President Nasser once remarked, "You can't drink it;" and as the major markets for the Gulf's immense reserves will remain beyond local control, there will always be an incentive, even for the revolutionaries, to come to some terms with those who buy it.

Moreover, if the dispute over Abu Musa and the Tumbs can be resolved before the end of 1971 there is at least a fair chance that other matters in the Gulf can evolve peacefully over the next year or two, as long as Iran and the larger Arab states (except

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Iraq) can maintain a modus vivendi in opposition to the revolutionary movements. A breathing space of this kind would give the last remnant of the British Raj more time to work out its destiny.

Meanwhile, we must recognize that the best policy now may be to stand back as far as possible from the Gulf and let its constituent peoples find their own levels, untrammelled at least by the old requirements of foreign hegemony; for as the twentieth century moves toward its final quarter we can hardly conceive of this region's destiny in terms of the arrangements, or divisions, thought appropriate at the beginning of the nineteenth century. The *Pax Britannica* has served its turn in the Gulf, not ignobly and not without profit to practically all concerned. But its day is over, and we must be prepared now for some fairly bracing years of readjustment, if not of revolution, in its wake.

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THE MULTINATIONAL ENTERPRISE: POWER VERSUS SOVEREIGNTY

By Raymond Vernon

THE extraordinary spread of U.S. enterprises into foreign countries in the last two decades has produced its inevitable aftermath. Though the multinational enterprise as an economic institution seems capable of adding to the world's aggregate productivity and economic growth, it has generated tensions in foreign countries. As a rule, the tensions are a manifestation of powerful psychic and social needs on the part of élite groups in host countries, including the desire for control and status and the desire to avoid a sense of dependence on outsiders.

There are several unresolved conflicts. Sovereign states have legitimate goals toward which they try to direct the resources under their command. Any unit of a multinational enterprise, when operating in the territory of a sovereign state, responds not only to those goals but also to a flow of commands from outside, including the commands of the parent and the commands of other sovereigns. As long as the potential clash of interests remains unsolved, the constructive economic role of the enterprise will be accompanied by destructive political tensions.

II

What can be done about the potential clash? A useful first step in any prescriptive exercise is to attempt a projection based on the assumption that events will be allowed to run their course, without the conscious intervention of new policies. As far as the future of multinational enterprises is concerned, simple projections seem risky. As tension builds, more Chiles and more Cubas could easily develop. Despite such possibilities, however, there have been some exceedingly strong regularities in the patterns of growth and the patterns of relations between host countries and foreign-owned enterprises.

In modern societies, products have commonly moved through a predictable cycle from birth to senescence. As a consequence, the enterprises dependent on any given product have found their

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negotiating strength constantly in a state of change, rising for a time in the beginning of the cycle, then declining later on.

When a new industrial product is introduced, at first it is unique, controlled by only a few firms. Eventually, the demand for the product grows, the technology associated with its production is diffused and appropriated, and the specifications defining the product become more standardized. As demand grows, the threat of new entrants into the industry also tends to grow. Established leaders in the industry respond by trying to distinguish their standardized products from those of others; consumers are exhorted to put a tiger in their tank or a lark in their future. Sometimes, using various forms of advertising and minor product differentiation, industry leaders have tried to hang on. At other times, they have sloughed off products as they have lost their distinctive characteristics and have turned to the generation of new products. In industries involving raw materials there also has been a slow diffusion of control.

Despite the changing position of U.S. enterprises in any given product, their aggregate opportunities are unlikely to decline. The extraordinary improvements in international communication and transportation seem destined to continue, accompanied by more Intelsats, Concordes, IBM 370s, and all the other modern instruments for shrinking time and space. It seems likely also that the cost of generating and launching major industrial innovations will continue to grow.

On the other hand, it also seems likely that the rate of adoption of innovations by industrial users and consumers will continue to accelerate, when compared with historic norms. So will the rate of appropriation and imitation on the part of the producers that pursue a follow-the-leader strategy. These tendencies, taken in combination, suggest that multinational enterprises which base their business strategy on an innovational lead will have to plan even more than in the past for the speedy exploitation of any industrial advance over the largest possible market.

There are a few other critical projections that can be assigned a high probability. If the European Community grows larger and more cohesive, as seems likely, there will be a growing tendency for large European-owned enterprises inside the area to think of their market as pan-European rather than national—a tendency already well advanced in automobiles and electronics. The size difference between the large U.S.-controlled enterprise

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and the large European-controlled enterprise could very well decline a little. Where the asymmetry is likely to linger longest is in one of the most sensitive areas of all, the genuinely high-technology industries. Though Europe may yet find the institutional means for assembling the disconcertingly large quantities of resources that seem necessary for major advances in such fields as airframes, nuclear reactors and so on, progress on this front is likely to be slow.

Even if the governments of the advanced countries continue to show grudging tolerance for the growth of U.S.-controlled multinational enterprises, as most of them have in recent years, it seems quite unlikely that such enterprises will increase their relative position in the world's industry and trade at the rate prevailing since the early 1950s. History may attribute part of the growth of U.S.-controlled enterprises during the past few decades, especially in the advanced countries, to two special factors: a belated introduction of the stream of innovations that U.S.-based enterprises had managed to accumulate in the war and immediate postwar period; and a temporary acceleration in Europe's demand for the products and processes in which these innovations were incorporated, generated partly by the postwar catching-up process and partly by the special stimuli associated with the creation of the European Community.

The Europeans and the Japanese can be counted on to elbow their way into some of these U.S.-dominated preserves, appropriating the designs or other elements of novelty embodied in the innovations and eroding the oligopolistic position of the U.S. leaders. The size and multinational character of U.S.-controlled enterprises, which may have been an advantage in earlier stages, will afford less advantage at the later stages. As the product is standardized and as demand grows, local enterprises in the advanced countries may be in a position to exploit all the potential economies of scale that then exist, without having to bear the costly overhead involved in maintaining an international organization of communication and control.

The production of standardized goods can be expected to continue shifting to Europe and Japan, as in the past, whether under the aegis of multinational enterprises or of local producers. What, then, are the consequences for the United States, especially if new products are not so readily forthcoming from the U.S. economy as they were during the 1940s and 1950s? There is

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every reason to suppose that the shift of production to Europe and Japan will slow up of its own accord. If production moved away from the United States and if it were unable to fill the economic hole with new innovations, then the mix of products and the type of process in the other advanced countries would begin to resemble the American mix more closely. In this case, one major reason for the higher labor productivity of the United States would disappear, and labor costs in Europe and Japan—which have provided one of the main advantages of those areas in producing standardized goods—would probably converge toward the U.S. level.

Japan is distinguished from Europe, however, in a number of respects. Until very recently, she had managed her spectacular industrial growth without appearing to increase her dependence on the resources of the U.S.-controlled enterprises. This stage of Japan's development could conceivably be coming to an end. The spectacular rise of Japan's living standards and industrial capabilities has begun to move her toward the position of Great Britain, Germany or France in terms of her technological needs. Until very recently, these needs could generally be satisfied by industrial technology that had already been in existence for some years—hence, by innovations that were not very closely held among foreign enterprises outside Japan. As long as the Japanese were bidding for technology that was well known and widely dispersed in other countries, their bargaining position was relatively strong. Paradoxically, however, as nations approach the frontier of industrial innovation, their bargaining position tends to weaken in certain respects; the technology they are reaching for is much more closely held. Except perhaps for the United States, there is no advanced nation in the world capable of generating more than a fraction of the technological elements needed for a highly advanced society. As Japan approaches that frontier, therefore, her negotiating position in relation to U.S.-controlled enterprises could well decline.

Turning from advanced to the less-developed areas, we find that some added factors are brought into play. In the raw materials industries, it can be foreseen that these countries will continue to press foreign-owned enterprises for a reapportioning of the rewards and that the outcome will depend on the bargaining positions of the two parties. In industries in which the foreigner's role was most dispensable—whether because of capital require-

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ments, technological considerations, or questions of market access —the erosion of the foreigner's position will be most rapid.

In the manufacturing sector, foreign-owned enterprises may be expected to exhibit continued strength. The capacity of multinational enterprises to manage international logistical systems efficiently has been growing, stimulated by relative declines in international transport costs and absolute shrinkages in transport time. The growth in these enterprises has been matched by the growing needs of the less-developed countries for organizational skills and export markets. The result has been that the strong underlying hostility in those countries toward multinational enterprises engaged in manufacturing has been held in check. True, less-developed countries in the position of India, Mexico and Brazil—nations that have made some progress toward industrialization—have placed unremitting pressure on the more conspicuous multinational enterprises, compelling them to give up lines of local activity as rapidly as national entrepreneurs can take them over; and this sort of pressure can be expected to continue. But there is nothing to prevent multinational enterprises from continuing to do what they have done successfully in the past—adding new activities of increasing complexity, even as they slough off the old.

III

Political questions will also affect the future of multinational enterprises. One important set of issues has to do with the social goals of the advanced nations. Will nations continue to emphasize such goals as the redistribution of personal income, the promotion of laggard regions, the provision of social services and the enlargement of guarantees against economic vicissitudes? The odds seem high that they will. If they do, the need of governments to feel that the main facets of the national economy are under their control will also grow. It would seem to follow that if multinational enterprises appear less controllable than national enterprises, that perception—whether justified or not—will create increasing agitation and perturbation.

Is one to assume, then, that multinational enterprises are bound to meet increasingly hostile national administrations in the advanced countries? Not inevitably. Improvements in international communication and transportation continue to generate common norms and problems among the advanced countries.

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Monetary and fiscal problems are more and more interrelated both within Europe and across the Atlantic; so are issues of employment and unemployment. As long as these relations grow, there is a need and a possibility of achieving accommodation.

As for the less-developed countries, the main question is whether they are likely to adopt some socialist economic system that would grossly limit the role of the multinational enterprise. Just what socialism would mean for the multinational enterprise is not clear. During recent years, several genuinely socialist countries have cast about for a way of assigning a role to foreign-owned enterprises in their economies. Other less-developed countries—for example, Pakistan, Tunisia and Iraq—though committed to socialism of some sort, have nevertheless cultivated a certain deliberate ambiguity over the future position to be given multinational enterprises. As India edges her way closer to socialism, it is not clear whether or not her policies toward foreign investors will grow any more restrictive.

There is one characteristic of the less-developed world, however, that it does seem safe to predict will continue—endemic political instability. Each year during the 1960s, something like 40 insurgencies, revolts, coups or uprisings were reported around the world, mostly in less-developed areas. Whatever the trend of ideology may be in the less-developed world, uncertainty will be the lot of the foreign investor. Whenever one side or another in a local political struggle seeks to rally local support, a call for firmness toward the foreign investor is sure to be a useful tactic.

IV

Most proposals for dealing with problems generated by multinational enterprises have been special in outlook and limited in objective.

To the extent that spokesmen for multinational enterprises see a problem, it is the unremitting governmental nipping at their flanks. The U.S. Government's insistence on maintaining a system of controls over the flow of funds between U.S. parents and their overseas subsidiaries represents one set of hurdles. The conditions imposed by other governments are another. Even after these obstacles have been surmounted, discrimination practiced against U.S.-owned subsidiaries established in host countries represents still another.

Contrary to the common impression, large U.S.-controlled

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enterprises are remarkably reluctant to invoke the support of the U.S. Government in overcoming the obstacles created by other governments. This seeming passivity, even when treaty rights are being impaired, reflects the basic fact that U.S. business interests feel most comfortable when they are holding the U.S. Government at arm's length.

There are times, of course, when governmental help is wanted, even demanded. Managers of the larger multinational enterprises are aware, however, that trying to pit government against government in an effort to solve their problems could have a price in terms of ill will and retaliation. Even when the U.S. Government applies pressure one cannot be sure it will work. Accordingly, when U.S.-controlled enterprises have felt foreign governments breathing down their necks, the disposition has been to find some answer that did not involve intergovernmental threat or collaboration.

Despite this general attitude, enterprises concerned with international business have been known to support intergovernmental agreements where they felt they could be held to carefully limited and selected goals. After all, the International Convention for the Protection of Industrial Property—a convention safeguarding the rights of inventors and their assignees to obtain patent protection in foreign countries—has been operating for 85 years or so. Bilateral treaties for the avoidance of double taxation have been sponsored by business interests for many years. These have been seen, however, as far less equivocal in effect and intent than any governmental initiative would be with regard to the more general problems of multinational enterprises.

Because explicit, well-defined bargains have proved useful in times past, managers of multinational enterprises have on occasion proposed that the United States might, for instance, exchange reductions in U.S. tariff schedules for guarantees that would benefit U.S.-owned subsidiary operations in foreign countries. However, such an exchange seems less than appropriate, given the character of the U.S. interests involved.

There is not much doubt that in narrowly economic terms multinational enterprises usually make a positive contribution to the countries in which they establish their subsidiaries. In terms of U.S. economic welfare, the net effect is probably positive as well, though it clearly benefits management and stockholders more than labor. In terms of the political objectives, the case is

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more qualified still; the tension generated by the presence of U.S.-controlled subsidiaries abroad can hardly be thought of as an unequivocal and positive contribution to U.S. foreign relations.

The question of benefits to the United States from its multinational enterprises is further complicated by uncertainty as to whether the interests should be regarded as American. Measured by equity ownership, the overseas commitments of U.S.-controlled multinational enterprises are 90 percent or more American; by sources of funds, perhaps 25 percent American; by the identity of employees, less than one percent American; and by the identity of the governments that receive their taxes, practically 100 percent foreign. Though the contribution of these enterprises to global welfare suggests that their rights and interests would still be worth fostering and protecting, it is questionable if the appropriate means for providing these safeguards is for one nation—the United States—to bargain with its tariffs to that end.

When U.S. businessmen have weighed the possibility of an intergovernmental agreement to buttress their foreign rights, they usually have preferred the promulgation of a code of fair conduct. This type of proposal assumes that businessmen will subscribe to general standards of behavior by which they will be guided in host countries. There is nothing wrong with an approach of this sort, but it is trivial in comparison with the malaise with which it deals. Commitments of this sort could not be expected to affect feelings in host countries about the effects of multinational enterprises.

If business leaders have little to propose in the way of constructive solutions, do host countries have richer suggestions? All the rhetoric to the contrary, many political leaders and members of other élite groups in host countries are well aware of the eagerness of most U.S.-controlled multinational enterprises to blend into the national environment and to adhere to the "when in Rome . . ." principle. For the local readers, the crux of the problem lies in the very nature of the multinational enterprise, namely its ability to think in terms that extend beyond a single country and to use resources located in more than one jurisdiction. These characteristics are seen as a threat by government leaders bent on full control, by local businessmen aspiring to compete, and by intellectuals hoping to overturn the status quo.

The challenge to domestic interests has caused host govern-

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ments to favor schemes for sharing ownership and control in the subsidiaries of international enterprises. This sort of proposal assumes that although multinational enterprises may well perform some useful economic function when they set up their subsidiaries, the usefulness of any given subsidiary declines in the course of time. Sharing the control and requiring eventual divestiture are generally thought of as a remedy in two senses: they reduce the economic costs to the host country by cutting off the foreigner's right to perpetual rewards; and they reduce a source of political tension between the host country and the country of the parent enterprise, *e.g.* the United States.

The trouble with a general prescription of this sort is that it makes a fundamentally wrong assumption about the actual operations of most U.S.-controlled subsidiaries abroad. As a rule, these have continually altered the scope of their activities, pushed by threats of new local competition or government pressure or stimulated by the discovery of new opportunities in the local economies. Plants that began with certain products such as radios and small motors have had to slough them off, while taking on new products such as television sets; and they have had to go from simple assembly and packaging to the manufacture of complex components and ingredients. Some subsidiaries that originally had nothing to offer in terms of market access because they were selling only in the local market have turned to exports, using the intelligence network and the distributing machinery of their affiilates in the multinational enterprise structure. In such cases a constant process of divestiture and renewal has been going on inside the organization. This provides no basis for assuming that the benefits to the host country have declined in time; the contrary could just as well be true. In narrow economic terms, a program of formal divestiture could prove hurtful rather than beneficial.

There is a difficulty of another sort with any general policy of divestiture. Multinational enterprises might not be hostile to divestiture provided it were limited to cases where the investor and the host government had foreseen and arranged for it at the time of the original investment. But this proviso would be hard to guarantee. A divestiture by a consenting enterprise could easily whet the host country's appetite for another divestiture in which the enterprise was less willing, especially if the domestic political situation made it seem useful.

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Furthermore, when measured in standard economic terms, a prearranged scheme for divestiture would often be hurtful to host countries. It would tend to scare off foreign investors who had a long-term view of their investment. It would probably repel investors possessing genuinely scarce capabilities. And it would almost certainly discourage investors who were planning to use the subsidiary to produce for export to other affiliates rather than to supply the local market. Still, if host governments were prepared to accept the consequences of their policies and if divestitures were between consenting parties—that is, if they were a condition of entry laid down by the host government and accepted by the enterprise—outsiders could hardly make any objection.

The proposals discussed above are those of the obvious protagonists. What about the views of those lucky enough not to be embroiled directly in the fray? One set of neutrally proposed remedies has been based on the concept of the "world corporation" or the "U.N. corporation." Because multinational enterprises have global interests and affect many states, only a global régime, it is supposed, could provide the essential geographical symmetry. For proposals of this sort, an enterprise that expects to establish itself in many jurisdictions ought not to consist of an agglomeration of artificial persons, each created by the notarial seal of a different sovereign and each responsible to its mandates. Instead, it should be a single entity, responsible in the first instance to a world body.

While this approach may satisfy the intellectual need for symmetry between the governor and the governed, in other respects it is out of joint with the times. For it consists essentially of assuming the problem away. The underlying assumption is that nations can be persuaded to delegate the rules of corporate behavior to an international body and that the conflicts of national interest resulting from the operation of the rules will be allowed to work themselves out without direct interference by nation-states. Where the mandates imposed by the nation-states and those imposed by the higher global authority are in direct conflict, it is assumed that the mandate of the nation-state will give way to that of the global authority. One day, these assumptions may seem plausible, but not at present.

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V

It is very likely that the manifest technical advantages of large enterprises and of strong governments will lead men in the future to insist on both. Adam Smith's model of a world of little firms and Karl Marx's model of a society of many benign utopian proletariats both seem grotesquely implausible. But in dealing with large concentrations of economic power, it is well to remember Lord Acton's maxim: Power corrupts. Men with power have an extraordinary capacity to convince themselves that what they want to do coincides with what society needs done for its good. This comfortable illusion is shared as much by strong leaders of enterprise as by strong leaders of government. The challenge in social organization is to ensure that the large units on which our future societies are likely to be based act as countervailing political powers, not as mutually reinforcing ones.

The problems generated by the operations of multinational enterprises will not stand still. Despite the recrudescent nationalism of the U.S. Government and those of other advanced countries during the early 1970s, the factors that have been increasing the economic and political interaction between national economies during the 1950s and 1960s are still hard at work. The flow of international communications is still increasing exponentially, stimulated by mounting efficiency and declining cost. Though international trade may be a bit inhibited by tariffs and quotas, attempts to control the international movement of ideas or capital by means of national border restrictions seem increasingly quixotic. As these elusive elements move more rapidly across international boundaries and blunt the effectiveness of national controls, a key question for the future is how long it will take for governments to find the level of tension unacceptable.

When the tension does come to be unbearable, the time for substantial action may be at hand. Then a number of steps can be envisaged.

Let us begin at the most mundane level of all, at the level of the pocketbook. As local governments are well aware, their own ability to gauge the appropriateness of the taxes that are paid by the subsidiaries of multinational enterprises is fairly limited. This fact does nothing to contribute to their sense of assurance and control. The multinational enterprises themselves also take

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a detailed and continuous interest in the question of local taxes. Because of the interrelated operations of their subsidiaries, the division of the profits of such enterprises among different national jurisdictions almost always unavoidably involves arbitrary allocations. As long as multinational enterprises have felt that the freedom to allocate their profits among jurisdictions offered them net advantages, they have preferred to let the problem rest in obscurity. This freedom, however, shows signs of being reduced. The curiosity of governments over how allocations are made and how they affect tax liabilities is growing speedily. Questions of international transfer pricing, overhead allocation, the use of debt in lieu of equity, and similar esoteric issues are rapidly becoming familiar concerns of many national tax officials.

A multinational approach to tax problems could take several different forms. A relatively easy response would be to enunciate some general principles applicable to all tax jurisdictions, relating, for example, to transfer pricing and the use of debt in lieu of equity, and to develop a means for settling disputes in the application of the principles. If the principles were adopted by a sufficient number of countries, they would accomplish two things: they would reduce the chances that a multinational enterprise, caught between the scissor blades of two taxing jurisdictions, would be unfairly taxed; at the same time, they would increase the assurances that such enterprises were not using their flexibility to slip between the national taxing authorities.

Still another approach would be more fundamental in character and more ambitious in reach. In view of the arbitrary nature of profits assigned to subsidiaries, it can be argued that the assessment of tax liability in any jurisdiction should be based on the proration of the consolidated profit of the multinational enterprise as a whole, according to an agreed proration formula.

A change of this sort, however, would require the United States and other countries to look on the taxable profits of their multinational enterprises in a fundamentally new light. Germany then would share in the profits generated by General Motors in the United States, while the United States would share in the profits generated by a sudsidiary in Germany. The experience would be novel for both: for Germany because she has so far been entitled to look only to the German subsidiary for taxes, and for America because she has up to now confined

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her tax reach mainly to the parent's dividends from foreign subsidiaries.

Another problem suitable for international collaboration is the question of joint jurisdiction over subsidiaries. In essence, countries would have to be prepared by formal treaty to give up the right to reach into the jurisdiction of others in order to influence actions that they feel affect their national interests. The prospects for joint action of this sort would be greatest among countries that thought of themselves as having a common interest and a common viewpoint, and greatest with respect to those fields in which consultation appeared easiest. On these criteria, the United States would find collaborative efforts easiest with the advanced countries of Western Europe, perhaps with the European Community itself. And the fields of possible collaboration might be expected to include national policies with regard to restrictive business practices and mergers, trading-with-the-enemy policy, and the control of capital movements.

At the same time, however, there would almost certainly be need for a continuous harmonization of policy wherever restraints on the exercise of sovereign power were being assumed. Substantial differences in national levels of control are tolerable, provided a channel for consultation exists. The United States, for instance, has long since resigned itself to the fact that other countries exercise more relaxed restrictions than it does over trade with the communist world, and is prepared to permit overseas subsidiaries to impair the objectives of U.S. policies in this area. The same is also true of the antitrust field; the United States is by now ruefully aware that it must move with a certain restraint when it reaches into the jurisdictions of other countries to enforce its antitrust objectives. The formalization of procedures for consultation and the commitment to harmonization efforts, therefore, would represent no giant departure from present practices.

Undertakings of this sort might conceivably enlist some support from multinational enterprises, but they have a corollary that is likely to encounter much heavier going from that quarter: if sovereigns agree to refrain from trying to control the overseas subsidiaries of their national enterprises, the subsidiaries themselves should be treated as nationals by the host governments, and consequently, should give up diplomatic support from the governments of their parent companies. These principles have

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cropped up repeatedly in the diplomatic history of international investment and have evoked unrestrained hostility on the part of U.S. enterprises. Known as the Calvo Clause after the Argentine minister who first advanced them, these principles have been pushed hard by Latin American governments in their efforts to cut off U.S. Government support of U.S.-controlled subsidiaries. As Latin American governments generally frame the principles, they would deny all local rights and remedies to any foreign-owned subsidiary if the subsidiary called on a foreign government in a dispute with its host government.

It has to be remembered, however, that the application of governmental authority on a nondiscriminatory basis to enterprises, whether local or foreign, is far from universal; under most systems of jurisprudence, governments are free to distribute rewards and penalties to their nationals according to less obvious criteria, without running afoul of their own laws, expectations and customs. Accordingly, a guarantee of "national treatment" in such cases does not have much content. Instead, some minimum guarantees of equitable treatment would probably have to be substituted for the standard of national treatment. Defining the concept of equitable treatment would be difficult; enforcing it would be more difficult still. Given the nature of the judicial process in many countries, it would not be feasible to leave the enforcement problem wholly to national legal systems. More likely than not, some sort of international tribunal would have to be charged with the adjudicating function.

The objective of disentangling conflicting jurisdictions, therefore, will require a series of international commitments: self-denying ordinances on the part of sovereigns to prevent their reaching into other jurisdictions and a means of international consultation to interpret them; a denial to foreign-owned subsidiaries of the right to call on the governments of their parent companies for diplomatic support; and a means of providing and enforcing commitments for the equitable treatment of the subsidiaries concerned.

The chances are that some forward motion on these agreements and procedures will be possible among the advanced nations long before similar action might be taken in the less-developed world. The refusal of Latin American governments in the latter 1960s even to sign a relatively innocuous multilateral Convention on the Settlement of Investment Disputes suggests

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how far they are from any willingness to consider joint action in this general field. Nor does the fact that so many African countries have gone along with the agreement offer any basis for greater hope, since in many cases that was much more a recognition of weakness than an expression of collaboration; eventually, a more independent line of response is to be expected from this quarter as well.

VI

But even if most of these suggestions were adopted and enforced, many sources of tension still would remain. Foreign-owned subsidiaries and their parents would have waived rights of diplomatic support from the parent government, while the host countries would have extended guarantees of equitable treatment to the subsidiaries.

Agreements not to impose controls on outward flows of direct capital investment, let it be assumed, have been developed among the major advanced countries. Assume, too, that the division of taxes has been made a matter of joint commitment and interest among major governments. Would these measures eliminate the problems generated by multinational enterprises?

The answer is clearly no. The capability of multinational enterprises to exercise flexibility and choice would still seem oppressive in the eyes of many who had to deal with them. What more could be done? There is a certain urgency in the question, arising out of the fact that individual states are beginning to require multinational enterprises to justify major decisions in the allocation of production or of markets among facilities located in different national jurisdictions. The prospect that the various states might expand such practices, unilaterally and on an uncoördinated basis, is slightly nightmarish from the viewpoint of the multinational enterprise. In industries where such action is not uncommon, as in the oil industry, the experience of conflicting government commands already hurts at times. The international regularization of such demands would be more tolerable than the growth of unilateral actions by states.

Under what ground rules might an international organization become party to the major allocative decisions of multinational enterprises? If the broad interests of all nations are considered, a major decision of such enterprises that was otherwise consistent with the laws and policies of the nations concerned ought not to

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be subject to the veto of parties that felt threatened, unless the project was based on some patently "artificial" factor, suitably defined. The definition would presumably include cases such as the existence of a subsidy or of a threat coming from one of the signatory governments or of a private market-sharing agreement among enterprises.

Situations involving subsidy are an obvious problem area. Nations cannot put off much longer some joint understanding over the use of subsidies and tax concessions as incentives for the international movement of industry. The competition among advanced countries in making lavish capital grants to industry, and among less-developed countries in extending broad tax exemptions to industry, should be brought under some measure of control. If all host countries were to reduce or eliminate the benefits, foreign direct investment probably would not decline very much, nor would global welfare be impaired. If less-developed countries felt that they wanted to retain a limited right to extend such subsidies, however, their desires could be accommodated in the agreement. A major implication of this approach is that governments—especially the U.S. Government—will be obliged to convert issues which they had once thought domestic into issues of international concern. U.S. labor, for instance, would find itself in an international forum if it sought to block the establishment of the Taiwan subsidiary of a U.S. parent.

The direction of these suggestions is clear. The basic asymmetry between multinational enterprises and national governments may be tolerable up to a point, but beyond that point there is a need to reëstablish balance through accountability to a governing body multinational in scope. If this does not happen, some of the apocalyptic projections of the future of multinational enterprise will grow more plausible.

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with the assistance of William Diebold, Jr., Economics; Fritz Stern, Western Europe; Henry L. Roberts, Eastern Europe, Soviet Union; John C. Campbell, Middle East, North Africa; Lewis C. Austin, Asia; Robert D. Crassweller, Latin America; Frank Wolf, Africa.

General: Political and Legal

SOLDIERS WITHOUT ENEMIES: PREPARING THE UNITED NATIONS FOR PEACEKEEPING. By Larry L. Fabian. Washington: Brookings Institution, 1971, 315 p. $7.50.

One of the best recent surveys of U.N. peacekeeping operations. The author emphasizes political and military preparedness for peacekeeping and concludes his analysis with some practical suggestions for the future.

FREE PRESS/FREE PEOPLE: THE BEST CAUSE. By John Hohenberg. New York: Columbia University Press, 1971, 514 p. $9.95.

This is a broad-brush survey of recent world history, from the vantage point of a sensitive journalist much concerned with the integrity and freedom of the press and the news media throughout the world.

PEACE AND COUNTERPEACE: FROM WILSON TO HITLER. By Hamilton Fish Armstrong. New York: Harper and Row, 1971, 585 p. $12.95.

These memoirs of the man who has directed *Foreign Affairs* since its founding nearly a half-century ago tell the story of some of its illustrious contributors—Poincaré, Masaryk, Venizelos, Stresemann, Bukharin, Radek, Paderewski, Austin Chamberlain, Sforza, Beneš and many more—as well as of others who shaped events between the great wars. His long friendship with Colonel House has provided new light on why House and Wilson fell out; he had revealing discussions with King Alexander of Jugoslavia almost yearly; and his talks with Hitler and Mussolini before the two dictators had met enabled him to recognize clearly what was to come. A first-hand, first-rate contribution to history.

THE INTELLECTUAL IN POLITICS AND OTHER ESSAYS. By Max Beloff. New York: Library Press, 1971, 346 p. $8.95.

A series of fairly disconnected pieces dealing with a number of political problems. Only the opening chapter deals with the role of the intellectual in politics. The other chapters are reprints of lectures and essays, most of them published before.

THE GENTLEMEN NEGOTIATORS. By Z. A. B. Zeman. New York: Macmillan, 1971, 402 p. $9.95.

The author offers fascinating insights into the diplomatic negotiations taking place in nine world capitals during World War I. A fine scholarly contribution.

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THE BIG TWO: SOVIET-AMERICAN PERCEPTIONS OF FOREIGN POLICY. By Anatol Rapoport. New York: Pegasus, 1971, 249 p. $6.95 (Paper, $2.95).

An intelligent, though rather discursive, assessment of Soviet-American relations, with a heavy emphasis on game-theory methodology.

THE ACTION-IMAGE OF SOCIETY: ON CULTURAL POLITICIZATION. By Alfred Willener. New York: Pantheon Books, 1971, 336 p. $10.00.

A Swiss sociologist, deeply impressed by the 1968 student-worker revolt in France, argues that the young generation can be understood by the sociologist only if he broadens and updates his research tools. The book is a bit pretentious.

INFORMATION TECHNOLOGY IN A DEMOCRACY. Edited by Alan F. Westin. Cambridge: Harvard University Press, 1971, 499 p. $12.50.

The editor, long concerned with the government's relation to the citizen's privacy, has assembled almost 50 essays dealing with the effects of control technology and "data banks" on the democratic process. The selections are well chosen and represent a broad spectrum of opinion.

THE SCIENTIFIC STUDY OF FOREIGN POLICY. By James N. Rosenau. New York: Free Press, 1971, 472 p. $11.95.

This is a brave and ambitious effort by an intelligent scholar who labors mightily to show that foreign policy is more science than art. The case is not proven in this book.

MOSCOW AND JERUSALEM. By Avigdor Dagan. New York: Abelard-Schuman, 1970, 255 p. $6.95.

A heavily pro-Israel analysis of Soviet-Israeli relations since 1948. The author, a veteran Israeli diplomat, has performed a useful service in assembling this material, but has revealed relatively little that is new.

IS PEACE INEVITABLE? AGGRESSION, EVOLUTION, AND HUMAN DESTINY. By Santiago Genovés. New York: Walker, 1970, 194 p. $5.95.

The author argues that man is not aggressive by nature. Aggression is learned, and war is a social disease. The book is at sharp variance with the thesis advanced by Konrad Lorenz in his "On Aggression."

THE POST-INDUSTRIAL SOCIETY. By Alain Touraine. New York: Random House, 1971, 244 p. $7.95.

A French sociologist probes the ills of modern Western societies and concludes that the sociologist has a significant role to play in deepening our understanding of these new forces and in affecting our power to shape them. (Originally published in France in 1969.)

THE NEW LEFT. Edited by Maurice Cranston. New York: Library Press, 1971, 208 p. $6.95.

Six absolutely first-rate essays on leading figures of the Left in America, Europe and the third world.

APPEARANCE AND REALITY IN INTERNATIONAL RELATIONS. By Grant Hugo. New York: Columbia University Press, 1971, 207 p. $5.95.

A somewhat discursive though intelligent treatment of the role of misunderstanding among nations, with illustrations taken from different periods of history.

THE FIRST FIFTY YEARS. By Arthur W. Rovine. Leyden: Sijthoff, 1970, 498 p. Gldrs. 59.

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A thorough, conscientiously researched, though somewhat ponderous work on the Secretaries-General of the League of Nations and the United Nations. Some of the comparisons drawn by the author among his six subjects are quite original.

THE UNITED NATIONS: THE FIRST 25 YEARS. By Edwin Tetlow. London: Peter Owen, 1970, 208 p. 55/.

A curious mixture of wisdom, humor and popular gossip, instructive and entertaining for the general reader.

THE FUTURE OF LAW IN A MULTICULTURAL WORLD. By Adda B. Bozeman. Princeton: Princeton University Press, 1971, 229 p. $6.50 (Paper, $2.45).

A challenging work which argues forcefully that a global legal system which is not authentically based on the multiplicity of cultures that comprise the world can never be recognized as binding or even persuasive. Rhetoric, the author submits, can never substitute for substance.

FRONTIERS OF DEVELOPMENT ADMINISTRATION. Edited by Fred W. Riggs. Durham: Duke University Press, 1971, 623 p. $14.75.

A number of scholarly essays on development policy and bureaucracy in various political settings. All of the contributions are good, some are trail-blazing.

THE COMING OF THE NEW INTERNATIONAL. Edited by John Gerassi. New York: World Publishing Co., 1971, 610 p. $15.00.

A broadly representative anthology of revolutionary writings, selected from more than 20 countries.

NAIVE QUESTIONS ABOUT WAR AND PEACE. By William Whitworth. New York: Norton, 1970, 126 p. $4.95.

The author elicits Eugene V. Rostow's views on American foreign policy around the globe.

WHAT PRICE VIGILANCE? By Bruce M. Russett. New Haven: Yale University Press, 1970, 261 p. $7.50 (Paper, $2.45).

A behaviorally oriented analysis, largely based on roll-call data, of Congressional voting patterns on issues of national defense.

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THE FUTURE OF THE OCEANS. By Wolfgang Friedmann. New York: Braziller, 1971, 132 p. $5.95 (Paper, $2.45).

A passionate plea, based on deep knowledge of the subject, for an international régime for the oceans. The author deplores the trend toward partition of large portions of the seabed among competing nation-states.

NUCLEAR DIPLOMACY: THE FIRST TWENTY-FIVE YEARS. By George H. Quester. New York: Dunellen (for the Center for International Affairs, Harvard University), 1971, 327 p. $10.00.

One of the most objective historical analyses of the Soviet-American nuclear relationship since the end of World War II. The emphasis of this fine book is analytical rather than policy-oriented.

NO VICTORY PARADES: THE RETURN OF THE VIETNAM VETERAN. By Murray Polner. New York: Holt, Rinehart and Winston, 1971, 169 p. $5.95.

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Nine moving vignettes of returned Vietnam veterans. The author concludes: "Never before in American history have as many loyal and brave young men been as shabbily treated by the government that sent them to war; never before have so many of them questioned as much, as these veterans have, the essential rightness of what they were forced to do."

EVERY WAR MUST END. By Fred Charles Iklé. New York: Columbia University Press, 1971, 160 p. $8.00 (Paper, $2.95).

A valuable analysis of the tormented process through which wars in the twentieth century have been brought to a close. The author concludes, on the basis of the evidence, that "wars must be ended before they start."

THE LAW OF DIMINISHING WAR POWER: FROM TROY TO VIETNAM. By John C. Ten Eyck. New York: Pageant Press International, 1970, 273 p. $6.95.

In a number of case studies drawn from different historical periods and geographic locales, the author demonstrates that too many military successes may lead to the kind of overconfidence that ultimately invites military disaster.

THE INTERNATIONAL LAW OF CIVIL WAR. Edited by Richard A. Falk. Baltimore: Johns Hopkins Press (for the American Society of International Law), 1971, 452 p. $15.00.

Six case studies, all of them excellent, exploring the complex relationship between international law and civil war and ranging from the American Civil War to Vietnam.

CONSCIENCE AND COMMAND: JUSTICE AND DISCIPLINE IN THE MILITARY. Edited by James Finn. New York: Random House, 1971, 300 p. $8.95 (Paper, $1.95).

The author argues that soldiers should be granted the identical legal and constitutional rights accorded to civilians.

THE STRATEGY OF TECHNOLOGY: WINNING THE DECISIVE WAR. By Stefan T. Possony and J. E. Pournelle. New York: Dunellen, 1971, 189 p. $7.50.

A hard-headed assessment in which the authors assert that the United States must make full use of its weapons technology if a third world war is to be averted.

THE DOOMSDAY BOOK: CAN THE WORLD SURVIVE? By Gordon Rattray Taylor. New York: World Publishing Co., 1970, 335 p. $7.95.

A wide-ranging, impassioned polemic against man's heedless abuse of his natural environment. A good book, but not the best on the subject.

GUERRILLAS IN HISTORY. By Lewis H. Gann. Stanford: Hoover Institution Press, 1971, 99 p. $3.95.

A brief survey, but incisive and quite comprehensive, of guerrilla warfare in history, by a British scholar.

INSURGENCY. By Andrew M. Scott with others. Chapel Hill: University of North Carolina Press, 1970, 139 p. $6.00.

This analysis of insurgent warfare is heavily indebted to systems theory. The authors pride themselves on their conceptual rigor, yet their substantive conclusions are not particularly original.

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SEE PARRIS AND DIE: BRUTALITY IN THE U. S. MARINES. By H. Paul Jeffers and Dick Levitan. New York: Hawthorn, 1971, 242 p. $6.95.

A shocking indictment of sadistic drill practices in the United States Marines. A timely book in view of the Calley phenomenon.

GENERAL EISENHOWER ON THE MILITARY CHURCHILL: A CONVERSATION WITH ALISTAIR COOKE. Edited by James Nelson. New York: Norton, 1970, 94 p. $4.95.

A sensitively illustrated personal memoir elicited by Alistair Cooke from General Eisenhower about his wartime comrade-in-arms, Winston Churchill.

DEAR GENERAL: EISENHOWER'S WARTIME LETTERS TO MARSHALL. By Joseph Patrick Hobbs. Baltimore: Johns Hopkins Press, 1971, 255 p. $10.00.

These letters reveal Eisenhower's growth as man and military commander. Marshall's singular role as his mentor emerges with great clarity.

SOVIET ROCKETRY: PAST, PRESENT, AND FUTURE. By Michael Stoiko. New York: Holt, Rinehart and Winston, 1970, 272 p. $7.95.

A very thorough analysis of the Soviet space program, including valuable comparisons with the American.

AIRCRAFT AND SEA POWER. By Vice Admiral Sir Arthur Hezlet. New York: Stein and Day, 1970, 370 p. $15.00.

A highly illuminating analysis of the past and future role of aircraft at sea, by a leading British expert.

MILITARY GOVERNMENT JOURNAL: NORMANDY TO BERLIN. By Major General John J. Maginnis; edited by Robert A. Hart. Amherst: University of Massachusetts Press, 1971, 351 p. $9.50.

A day-by-day account of U.S. military government operations from the invasion of Normandy to the occupation of Berlin.

General: Economic and Social

STERLING AND BRITISH POLICY: A POLITICAL STUDY OF AN INTERNATIONAL CURRENCY IN DECLINE. By Susan Strange. New York: Oxford University Press (for the Royal Institute of International Affairs), 1971, 363 p. $13.00.

A stimulating analysis of what has been wrong with the pound (and the British economy) since the war. Prescriptions for a more optimistic future include a floating exchange rate, consolidation of debt and a more nationalistic use of financial controls.

POWER AND MONEY. By Charles P. Kindleberger. New York: Basic Books, 1970, 246 p. $6.95.

A good introductory treatment of "the economics of international politics and the politics of international economics" by a gifted expositor with a fine flow of illustrations and quite a few historical examples.

THE ECONOMICS OF INTERNATIONAL ADJUSTMENT. Edited by Randall Hinshaw. Baltimore: Johns Hopkins Press, 1971, 184 p. $7.50.

Excellent editing of tape-recorded discussions by a stellar group of economists make this report a valuable contribution to the mounting discussion of how to make the international monetary system work more smoothly and safely.

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EUROPE VS. AMERICA: CONTRADICTIONS OF IMPERIALISM. By Ernest Mandel. New York: Monthly Review Press, 1970, 160 p. $5.50.

A sophisticated Belgian Marxist analyzes the relations between American and European business in ways that would be in large part acceptable to observers of other persuasions. His prescription for "the socialist alternative" and how it may be brought about is something else again.

THE CHALLENGE TO U.S. DOMINANCE OF THE INTERNATIONAL CORPORATION. By Rainer Hellmann. New York: Dunellen, 1971, 348 p. $17.50.

Many facts and figures about American investment in Europe, and some about European investment in America, make up the bulk of this book by a German economic journalist.

THE INTERNATIONAL CORPORATION: A SYMPOSIUM. Edited by Charles P. Kindleberger. Cambridge: M.I.T. Press, 1970, 415 p. $15.00.

First-rate essays that cover the major aspects of an increasingly popular subject.

FOREIGN INVESTMENT IN THE PETROLEUM AND MINERAL INDUSTRIES: CASE STUDIES OF INVESTOR-HOST COUNTRY RELATIONS. By Raymond F. Mikesell and others. Baltimore: Johns Hopkins Press (for Resources for the Future), 1971, 459 p. $15.00.

A very solid contribution to the literature of international investment. Case studies involving five commodities and seven countries provide a basis for analytical and prescriptive conclusions.

ECONOMIC PROGRESS AND POLICY IN DEVELOPING COUNTRIES. By Angus Maddison. New York: Norton, 1971, 313 p. $10.00.

Taking the knell-ringers firmly in hand, a leading student of economic growth shows that there has been not only economic improvement in the poor countries but a better understanding of their problems and how to deal with them. He assesses the relative contribution of development policy and foreign aid to growth and sets out recommendations for doing better in the future.

ECONOMIC THEORY AND THE UNDERDEVELOPED COUNTRIES. By H. Myint. New York: Oxford University Press, 1971, 353 p. $6.95 (Paper, $3.95).

Selected papers by a Burmese economist who has long been one of the most balanced thinkers about development. The analysis is "middle level" between pure theory and empirical study.

LE CAMBISME ET LE JEU MONÉTAIRE INTERNATIONAL. By Bertrand Munier. Paris: Presses Universitaires, 1970, 383 p. Fr. 55.

Uncertainty makes foreign exchange dealing a good subject to approach through games theory. In doing so this young French academic brings to bear a good deal of practical knowledge and the result is many interesting insights.

DAS COMECON. By Rolf C. Ribi. Zurich: Polygraphischer Verlag, 1970, 462 p. Swiss Fr. 46.

A detailed analysis by a Swiss economist.

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THE PRICE OF ECONOMIC FREEDOM: A GUIDE TO FLEXIBLE RATES. By Samuel Brittan. New York: St. Martin's Press, 1971, 103 p. $8.95.

According to this British journalist, the balance of payments is a pseudo problem which has been handled in ways that make real problems harder to solve. Flexible exchange rates, he argues, will help bring matters into a proper focus and he answers a lot of questions about them.

The United States

PROMISES TO KEEP: MY YEARS IN PUBLIC LIFE, 1941–1969. By Chester Bowles. New York: Harper and Row, 1971, 657 p. $12.95.

This memoir reveals a man strong and sturdy in convictions, a prototype of a real liberal. Some of the vignettes are sketchy, such as the author's portrayal of John F. Kennedy, but many parts of the book are moving and profound. The account of the author's two Indian ambassadorships and the revealing portrayals of hitherto rather neglected personalities, such as Lal Bahadur Shastri, for example, make particularly good reading.

ROOTS OF INVOLVEMENT: THE U.S. IN ASIA, 1784–1971. By Marvin Kalb and Elie Abel. New York: Norton, 1971, 336 p. $8.95.

The authors assert that the Indochina war is only a link in a chain of "America's swashbuckling adventures in Asia." Truman, Eisenhower, Kennedy, Johnson and Nixon are all taken to task for blundering ever deeper into the quicksands of Asian wars.

THE JOURNALS OF DAVID E. LILIENTHAL. VOLUME V: THE HARVEST YEARS 1959–1963. New York: Harper and Row, 1971, 557 p. $13.95.

This diary pulsates with energy. All of it makes fast and good reading, especially the glimpses into Lilienthal's relationship with John Kennedy.

INTERNATIONAL DISSENT: SIX STEPS TOWARD WORLD PEACE. By William O. Douglas. New York: Random House, 1971, 155 p. $4.95 (Paper, $1.95).

The author urges the abolition of military pacts, a stronger World Court, more multilateral aid, the end of colonialism, recognition of communist China and an international régime for the oceans. He deplores the "brain freeze" that prevents most people in government from coming to grips with these propositions.

THE MANY AMERICAS SHALL BE ONE. By Harrison E. Salisbury. New York: Norton, 1971, 204 p. $6.50.

A far-ranging *tour d'horizon* by an optimist without illusions. The most imperative act that would galvanize the American spirit, in the author's view, would be to stop the war in Vietnam.

OFF COURSE: FROM TRUMAN TO NIXON. By Rexford G. Tugwell. New York: Praeger, 1971, 326 p. $7.95.

In this interesting survey of the last 25 years, the author concludes that Richard Nixon, of all Presidents, is confronted with the challenge of returning to Roosevelt's policy of coexistence with the communist nations. An existentialist irony perhaps, but a fact nevertheless.

AMERICA THE DUTIFUL. By Philip W. Quigg. New York: Simon and Schuster, 1971, 223 p. $6.95.

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This is a sanguine and generally positive assessment of American foreign policy since 1945. By placing Vietnam in the larger context of America's global policies, the author restores a sense of balance and hope.

NUREMBERG AND VIETNAM: AN AMERICAN TRAGEDY. By Telford Taylor. Chicago: Quadrangle Books, 1970, 224 p. $5.95.

The author of this thoughtful analysis concludes that "somehow we failed ourselves to learn the lessons we undertook to teach at Nuremberg, and that failure is today's American tragedy."

AGNEW THE UNEXAMINED MAN: A POLITICAL PROFILE. By Robert Marsh. New York: M. Evans, 1971, 182 p. $5.95.

The author concludes that his subject has virtually no philosophic position or political conviction except a consistently negative response to civil dissent.

RACIAL INFLUENCES ON AMERICAN FOREIGN POLICY. Edited by George W. Shepherd, Jr. New York: Basic Books, 1971, 238 p. $6.95.

Nine uniformly excellent essays exploring the multifaceted impact of the racial factor in various lands on American foreign policy. The authors show the connections between racial tensions in remote lands and the reception there of our foreign policy.

PROGRESSIVISM AND THE OPEN DOOR: AMERICA AND CHINA, 1905–1921. By Jerry Israel. Pittsburgh: University of Pittsburgh Press, 1971, 222 p. $9.95.

A workmanlike monograph which rejects the traditional notion that the American Open Door policy was unique and different from the general Western political and industrial penetration of China.

UNBIND YOUR SONS: THE CAPTIVITY OF AMERICA IN ASIA. By Alex Campbell. New York: Liveright, 1970, 366 p. $7.95.

A general indictment of recent American policies in the Middle East and in Asia, by the managing editor of *The New Republic*. The author visited most of the countries about which he writes at crucial times in their histories.

THE GULF OF TONKIN RESOLUTION. By John Galloway. Rutherford: Fairleigh Dickinson University Press, 1970, 578 p. $18.00.

This bulky account of the controversial Resolution sees it as a symbol of "stealthful ways" on the part of President Johnson. Two-thirds of the book consist of appendixes.

NOTEBOOKS OF A DILETTANTE. By Leopold Tyrmand. New York: Macmillan, 1970, 240 p. $5.95.

A chatty and highly opinionated potpourri of random observations about America by a Polish immigrant determined to "defend America against itself."

THE NEW AMERICAN REVOLUTION. Edited by Roderick Aya and Norman Miller. New York: Free Press, 1971, 342 p. $7.95 (Paper, $3.95).

This symposium on revolutionary movements in the United States focuses largely on black militants and the young intelligentsia.

The Western Hemisphere

PARTNER TO BEHEMOTH: THE MILITARY POLICY OF A SATELLITE CANADA. By John W. Warnock. Toronto: New Press, 1970, 340 p. $10.00 (Paper, $4.50).

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A former U.S. Foreign Service Officer who has become a Canadian citizen combines a useful factual narrative of Canadian defense policy with some strong nationalist and socialist sentiments and a dash of revisionist history.

THE GREAT CANADIAN OIL PATCH. By Earle Gray. Toronto: Maclean-Hunter, 1970, 355 p. $11.95.

Popular history of the Canadian oil industry by the editor of a trade journal.

THE CONTAINMENT OF LATIN AMERICA. By David Green. Chicago: Quadrangle Books, 1971, 370 p. $10.00.

The theme: the Good Neighbor policy failed because FDR and Truman used it to strengthen U.S. control over Latin American economies, thereby intensifying nationalism and instability. The research is good but some will doubt the conclusion.

A LATIN AMERICAN ECONOMIC COMMUNITY. By Nino Maritano. Notre Dame: University of Notre Dame Press, 1970, 265 p. $9.95.

An informative and competent account covering the history, status and contributions of the various hemispheric integration movements, regional and sub-regional. Useful tables and basic documents are included.

POLITICS AND SOCIAL STRUCTURE IN LATIN AMERICA. By James Petras. New York: Monthly Review Press, 1970, 382 p. $9.50.

Essays directed to sociology, politics and U.S.-Latin American relations. The author takes his firm stance on the Left, and tends to overestimate economic motivations and causations.

THE POLITICS OF REFORM IN PERU. By Grant Hilliker. Baltimore: Johns Hopkins Press, 1971, 201 p. $10.00.

This study, centering around the APRA party in Peru, throws light on the relative lack of efficiency of broadly based reformist parties in creating change in Latin America.

POLITICAL GROUPS IN CHILE. By Ben G. Burnett. Austin: University of Texas Press (for the Institute of Latin American Studies), 1970, 319 p. $8.50.

This craftsmanlike analysis of the sources of radical sentiment and political change during the last decade includes much comment on parties and interest groups. The recent Allende victory is noted in a brief postscript.

A HISTORY OF BRAZIL. By E. Bradford Burns. New York: Columbia University Press, 1971, 449 p. $11.95.

A scholarly history that brings the Brazilian narrative up to 1970. The author is not partial to developments since the advent of military rule in 1964.

THE UNITED STATES AND THE CARIBBEAN. Edited by Tad Szulc. Englewood Cliffs: Prentice Hall, 1971, 212 p. $5.95 (Paper, $2.45).

These uneven papers by Caribbean specialists were prepared for the thirty-eighth American Assembly in October–November 1970. Some report on social phenomena region-wide; others are sub-regional in scope.

HAITI: THE POLITICS OF SQUALOR. By Robert I. Rotberg with Christopher K. Clague. Boston: Houghton, 1971, 456 p. $10.00.

An exhaustive study, researched expensively and in depth, covering almost all internal aspects of Haitian life and development.

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Western Europe

MÉMOIRES D'ESPOIR: LE RENOUVEAU 1958–1962. By Charles de Gaulle. Paris: Plon, 1970, 314 p. Fr. 27.50.

Memoirs of extraordinary luminosity, covering the first four years of his second effort to raise France to his level of sublime expectation. At once a partial history, an indispensable source and an evocation of style and spirit.

DISCOURS ET MESSAGES. By Charles de Gaulle. Paris: Plon, 1970, 5 v. Fr. 35.70 each.

A collection of all his formal speeches, from the day in June 1940 when he first spoke "in the name of France" to his resignation 29 years later. A testament of greatness.

THE ATLANTIC FANTASY: THE U.S., NATO, AND EUROPE. By David Calleo. Baltimore: Johns Hopkins Press (for the Washington Center of Foreign Policy Research, School of Advanced International Studies), 1970, 182 p. $7.00 (Paper, $2.95).

A sanely revisionist critique of American attitudes and policies toward Europe. The author, a political scientist at home on both sides of the Atlantic, writes: "Europe is not America's front porch, but somebody else's house." His book, forcefully written and argued, deserves wide attention.

STRUKTURWANDLUNGEN DER AUSSENPOLITIK IN GROSSBRITANNIEN UND DER BUNDESREPUBLIK. Edited by Karl Kaiser and Roger Morgan. Munich: Oldenbourg, 1970, 264 p. DM. 28.

That rarest of achievements: a superb book, by many hands, on a key question. An Anglo-German team examines the changing determinants of foreign policies in the two countries. (A publication of the Deutsche Gesellschaft für Auswärtige Politik.)

POLITIQUE ÉCONOMIQUE DE LA GRANDE-BRETAGNE DEPUIS 1945. By Philippe Huet. Paris: Colin, 1969, 582 p. Fr. 89.

A scholarly survey of Britain's political economy, intended as a factual contribution to the debate on England's entry into Europe.

THE INTER-WAR ECONOMY: BRITAIN, 1919–1939. By Derek H. Aldcroft. New York: Columbia University Press, 1971, 441 p. $12.50.

A great deal of material, well-ordered.

RUN IT DOWN THE FLAGPOLE: BRITAIN IN THE SIXTIES. By Bernard Levin. New York: Atheneum, 1971, 450 p. $8.95.

A breezy book on the foibles of the decade. Instant social history by a well-known British journalist.

LE PARTI COMMUNISTE FRANÇAIS. By André Barjonet. Paris: John Didier, 1970, 236 p. Fr. 16.50.

An intelligent, Marxist analysis of the premises and policies of today's French Communist Party, by a former member who left the party because of its anti-revolutionary stance in the putative revolution of 1968.

LAMIA. By P. L. Thyraud de Vosjoli. Boston: Little, Brown, 1970, 344 p. $6.95.

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The highly readable and controversial memoirs of a former French underground agent who rose in de Gaulle's intelligence service only to denounce it eventually as being Soviet-infiltrated.

QUISLING, ROSENBERG UND TERBOVEN. By Hans-Dietrich Loock. Stuttgart: Deutsche Verlags-Anstalt, 1970, 587 p. DM. 52.

An analysis of the abortive attempt to establish a national socialist régime in Norway. Using much new material, a German historian portrays the lives of Quisling and of his German partners against the background of political and military conditions. A controversial study of absorbing interest.

DIE DEUTSCHE OSTPOLITIK 1961–1970: KONTINUITÄT UND WANDEL. Edited by Boris Meissner. Cologne: Verlag Wissenschaft und Politik, 1970, 447 p. DM. 38.

A timely collection of documents illustrating the evolution of the controversial *Ostpolitik*.

MEMOIREN 1918–1934. By Heinrich Brüning. Stuttgart: Deutsche Verlags-Anstalt, 1970, 721 p. DM. 30.

The revealing and in some ways self-incriminatory memoirs of Weimar's last constitutional chancellor provide a major historical source on the demise of the Weimar Republic. Brüning's policies can be said to have deepened the crisis which led to his own failure and thus to Hitler's triumph.

SOLDAT FÜR DEN FRIEDEN. By Wolf Graf von Baudissin; edited by Peter V. Schubert. Munich: Piper, 1969, 335 p. DM. 14.80.

A collection of important speeches and essays by a German general who played a leading role in trying to define a new democratic ethos for the German Army. A courageous voice speaking on a difficult assignment.

STAATSMÄNNER UND DIPLOMATEN BEI HITLER. Edited by Andreas Hillgruber. Frankfurt/Main: Bernard und Graefe, 1970, 568 p. DM. 62.

The second volume of the record of Hitler's conferences with foreign diplomats, covering the period 1942–44. An invaluable source, meticulously edited.

AUSTRIA. By Karl R. Stadler. New York: Praeger, 1971, 335 p. $9.50.

A useful history of twentieth-century Austria, by an Austrian scholar who studied and taught in England.

LA SUISSE ET NOTRE TEMPS: DU SOUVENIR À LA RÉFLEXION. By Paul Chaudet. Paris: Laffont, 1970, 254 p. Fr. 18.

An analysis of the Swiss political experience as a possible model for a new Europe, by a former President of the Swiss Confederation.

ITALY CHOOSES EUROPE. By F. Roy Willis. New York: Oxford University Press, 1971, 373 p. $8.50.

An analysis of Italy's important role in promoting European institutions, set against the background of her own economic and political conditions.

THE ORIGINS OF FRANCO'S SPAIN: THE RIGHT, THE REPUBLIC AND REVOLUTION, 1931–1936. By Richard A. H. Robinson. Pittsburgh: University of Pittsburgh Press, 1971, 475 p. $9.95.

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A serious inquiry into the causes of the Spanish Civil War, scrutinizing especially the diverse parties of the Right. A revisionist work which argues that much of the responsibility for the failure of the Republic lay with the Left Republicans themselves.

Eastern Europe and the Soviet Union

POLITICS AND SOCIETY IN THE USSR. By David Lane. New York: Random House, 1971, 616 p. $10.00.

This substantial survey, while designed as a textbook, has the advantage of emphasizing some of the significant sociological features: class, status, pressure groups and family functions.

SOVIET ECONOMIC DEVELOPMENT. By Raymond Hutchings. New York: Barnes and Noble, 1971, 314 p. $10.50.

A concise account of the origins, progress and characteristics of Soviet economic development. A useful introduction to the subject.

INTEREST GROUPS IN SOVIET POLITICS. Edited by H. Gordon Skilling and Franklyn Griffiths. Princeton: Princeton University Press, 1971, 433 p. $12.50.

Essays by 11 specialists on the role of such interest groups as the *apparatchiki*, the military, the managers, the writers and the jurists.

THE SOVIET UNION AND THE LAW OF THE SEA. By William E. Butler. Baltimore: Johns Hopkins Press, 1971, 245 p. $12.00.

An analysis of Soviet doctrines and practices relating to territorial waters, inland seas, the continental shelf and the high seas.

ICON AND SWASTIKA. By Harvey Fireside. Cambridge: Harvard University Press, 1971, 242 p. $8.00.

An illuminating study of a relatively untouched field—the experiences of the Russian Orthodox Church, and its various factions, under German occupation in the Second World War.

MAN AND HIS WORK. Edited by A. G. Zdravomyslov and others. White Plains (N.Y.): International Arts and Sciences Press, 1971, 398 p. $15.00.

A translation of an important Soviet study of work attitudes, undertaken by the Laboratory of Sociological Research in Leningrad.

THE NATION KILLERS. By Robert Conquest. New York: Macmillan, 1971, 222 p. $6.95.

The author of the well-known massive study of the Great Purges and a specialist in probing the darker sides of the Stalin era here assembles the evidence on the deportation of the Crimean Tatars, the Chechens and other Soviet nationalities.

CIVIL WAR IN SOUTH RUSSIA, 1918. By Peter Kenez. Berkeley: University of California Press, 1971, 351 p. $10.00.

This welcome addition to the still rather sparse body of serious literature on the Russian Civil War concentrates on the creation of the Volunteer Army in the first year—a precariously successful beginning but with dangerous shortcomings from the outset.

THE COMMISSARIAT OF ENLIGHTENMENT. By Sheila Fitzpatrick. New York: Cambridge University Press, 1971, 380 p. $13.50.

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A scholarly account of the establishment of the Soviet commissariat for education in the years 1917–21. The central figure is Lunacharsky, "a large, untidy man with pince-nez and a benevolent expression."

SOWJETPOLITIK UND ENTWICKLUNGSLÄNDER. By Reinhold Biskup. Freiburg im Breisgau: Rombach, 1970, 212 p. DM. 27.

An unfriendly view of Soviet ideology and strategy with respect to developing countries.

THE SOVIET RURAL COMMUNITY. Edited by James R. Millar. Urbana: University of Illinois Press, 1971, 420 p. $12.50.

A substantial symposium of studies on Soviet agricultural policy, rural administration and trends in village life.

THE SILENT MILLIONS. By Joel Cang. New York: Taplinger, 1970, 246 p. $6.50.

A brief history of Soviet Jewry by a British journalist.

THE CZECHOSLOVAK EXPERIMENT 1968–1969. By Ivan Svitak. New York: Columbia University Press, 1971, 243 p. $10.95.

These materials were largely written in Czechoslovakia during the brief Dubček era. The author, then a fellow of the Institute of Philosophy and now in exile, deals with the wide range of social and political issues that were bubbling in his country until the Soviet invasion.

PLAN AND MARKET IN YUGOSLAV ECONOMIC THOUGHT. By Deborah D. Milenkovitch. New Haven: Yale University Press, 1971, 323 p. $10.00.

A detailed and able monograph on Jugoslav theories and views on the organization of a socialist society.

ALBANIEN—VORPOSTEN CHINAS. Edited by Rolf Italiaander. Munich: Delp, 1970, 282 p. DM. 18.

A collection of travel reports, documents and commentaries on Albania and its external relations.

PHOENIX WITH A BAYONET. By Bayard Stockton. Ann Arbor (Mich.): Georgetown Publications, 1971, 306 p. $7.95.

An American journalist's relatively favorable appraisal of the military group that took power in Greece in the coup of April 1967.

The Middle East and North Africa

LE MAGHREB MODERNE. By Samir Amin. Paris: Éditions de Minuit, 1970, 243 p. Fr. 18.

Essentially a summary history and handbook on the three countries of the Maghreb, this small volume is notable for its sharply etched analysis of political forces and their economic and social content.

THE UNITED STATES AND MOROCCO 1776–1956. By Luella J. Hall. Metuchen (N.J.): Scarecrow Press, 1971, 1,114 p. $25.00.

A book worth noting for its faithful though more or less indiscriminate attention to completeness and detail, reflecting years of research in unpublished and published sources.

WOLVES IN THE CITY: THE DEATH OF FRENCH ALGERIA. By Paul Henissart. New York: Simon and Schuster, 1970, 508 p. $8.95.

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A journalist's colorful story of the crisis of 1961, the terror campaign of the OAS and the end of French rule in Algeria.

LE JEU DE LA FRANCE EN MÉDITERRANÉE. By Philippe de Saint Robert. Paris: Julliard, 1970, 302 p. Fr. 22.50.

A collection of reports and essays strongly defending General de Gaulle's policies toward the Arabs and Israel, with the specter of American world hegemony hovering overhead.

THE U.A.R. IN AFRICA: EGYPT'S POLICY UNDER NASSER. By Tareq Y. Ismael. Evanston: Northwestern University Press, 1971, 258 p. $9.75.

A review of Egypt's activities within the "second circle" of its interests, based largely on the Cairo press. The author frankly describes the grandiose objectives of Nasser's policies and does not gloss over the failures.

NASSER. By Jean Lacouture. Paris: Éditions du Seuil, 1971, 354 p. Fr. 24.

This first biography in print following Nasser's death is remarkably balanced and informative, as one would expect of Lacouture, no stranger to his subject.

THE ECONOMIC IMPACT OF THE SIX-DAY WAR: ISRAEL, THE OCCUPIED TERRITORIES, EGYPT, JORDAN. By Eliyahu Kanovsky. New York: Praeger, 1970, 451 p. $15.00.

In this detailed study, which takes account also of the pre-1967 period, the author takes issue with some views widely held after the June war, for example, that the Jordanian economy would be unable to survive without the West Bank.

STRUCTURAL CHANGE AND ECONOMIC POLICY IN ISRAEL. By Howard Pack. New Haven: Yale University Press, 1971, 273 p. $9.75.

A professional economist's careful study of Israel's growth from independence to 1967, with some attention to the factors of governmental leadership and outside aid.

BRIDGE ACROSS THE BOSPORUS: THE FOREIGN POLICY OF TURKEY. By Ferenc A. Váli. Baltimore: Johns Hopkins Press, 1971, 410 p. $12.50.

Well-informed, methodical and conventional, this is the best survey in English of Turkey's postwar foreign policy.

South and Southeast Asia

AMERICA'S ASIA: DISSENTING ESSAYS ON ASIAN-AMERICAN RELATIONS. Edited by Edward Friedman and Mark Selden. New York: Pantheon Books, 1971, 458 p. $10.00.

Twelve younger scholars accuse their teachers of witting or unwitting complicity in an aggressive Asian foreign policy. The tone of moral outrage would be more convincing if these zealous social scientists did not seem to be ignorant of the connection between ideology and social position.

REGION OF REVOLT: FOCUS ON SOUTHEAST ASIA. By Milton Osborne. Elmsford: Pergamon Press, 1970, 166 p. $4.95.

Cursory and rather haphazardly organized, this popularization of some aspects of recent Southeast Asian history concludes—in a manner at once accurate and unsurprising—that the region as a whole will not be democratic or Western in values in the near future, and that revolution has been and will continue to be endemic.

INDIA'S CHINA WAR. By Neville Maxwell. New York: Pantheon Books, 1971, 475 p. $10.00.

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This dazzling reconstruction of the diplomatic and military activity surrounding the Chinese punitive expedition of 1962 must be read by anyone concerned with international relations. Maxwell, *Times* correspondent during the events he describes, has combined dogged research, analytic insight and descriptive skill to provide a picture of the border clash which will alter many preconceptions about the relative merits of the claims and blames of the two powers concerned.

THE INDIAN ARMY: ITS CONTRIBUTION TO THE DEVELOPMENT OF A NATION. By Stephen P. Cohen. Berkeley: University of California Press, 1971, 216 p. $7.50.

A short discussion of the process by which an instrument of colonial domination becomes a symbol of national unity, suggesting important questions about the civilian-military relationship in new nations. Unfortunately it does not suggest answers to quite the same extent.

TOWARDS AN INTEGRATED SOCIETY. By Tarlok Singh. Westport (Conn.): Greenwood, 1970, 554 p. $13.50.

The author, of the Indian Planning Commission and UNICEF, collects here his speeches and essays of the decade. He argues that social equality takes precedence over economic development as end, and administration over politics as means.

KERALA. By Manfred Turlach. Wiesbaden: Harrassowitz, 1970, 386 p. DM. 78.

Thorough and conscientious, this account covers the politics since independence of India's most crowded, most Christian, most literate and most communist state. To the vicious political circle which neglect and manipulation from the center and the Congress reinforces, and is reinforced by, intransigence and radicalism in the state, Turlach has no solution save a wan hope for greater trust from New Delhi and greater capital investment from somewhere.

THE AYUB KHAN ERA: POLITICS IN PAKISTAN, 1958–1969. By Lawrence Ziring. Syracuse: Syracuse University Press, 1971, 234 p. $10.00.

Ayub, decent, patriotic and unimaginative, tried to facilitate economic and political development and to create in Pakistan the sense of nationhood. His failure in all endeavors except the first is laid by Professor Ziring not only to the defects of his virtues but to a bureaucracy rigidified by conceit and a rural power structure which trains villagers to be passive and antipolitical.

HO. By David Halberstam. New York: Random House, 1971, 118 p. $4.95.

A feat of imaginative reconstruction of the life of the political genius known variously as Nguyen the Patriot and Ho the Enlightener. Halberstam's sympathetic short biography is marred only by laxity in citing sources and evidence—especially important in a case like this where so much is necessarily conjecture.

LAOS: WAR AND REVOLUTION. Edited by Nina S. Adams and Alfred W. McCoy. New York: Harper and Row, 1971, 482 p. $15.00 (Paper, $4.75).

The Committee of Concerned Asian Scholars (CCAS) assembles here a mass of essential data concerning the U.S. engagement, 1964–1971, in "the most protracted and extensive bombing of civilian targets in history." The policy of substituting obliteration from the air for control of the ground appears as a military failure and a moral tragedy.

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CAMBODIA: THE WIDENING WAR IN INDOCHINA. Edited by Jonathan S. Grant and others. New York: Washington Square Press, 1971, 355 p. $1.25 (Paper).

Another CCAS book of source material on a new combat zone in the Indochina war, this volume, like its companions, provides information in detail: a commodity which often seems sadly lacking and willfully withheld in the national debate.

INDONÉSIE. By Vincent Monteil. Paris: Horizons de France, 1970, 287 p. Fr. 96.

Gracefully written and beautifully illustrated, this elegant and expensive book is a travel volume of the best sort.

East Asia and Pacific Ocean

IDEOLOGY AND PRACTICE: THE EVOLUTION OF CHINESE COMMUNISM. By James Chieh Hsiung. New York: Praeger, 1970, 359 p. $11.00 (Paper, $4.50).

This ambitious but somewhat pedestrian survey of Maoist thought contains some interesting ideas about the neo-Confucian and Taoist influences on Chinese Marxism-Leninism: does the yin-yang model really modify the dialectic for Mao? One would wish better evidence and more exploration of such problems.

BIOGRAPHIC DICTIONARY OF CHINESE COMMUNISM 1921–1965. By Donald W. Klein and Anne B. Clark. Cambridge: Harvard University Press, 1971, 2 v. $30.00.

This exemplary and thorough who's who of the Chinese Revolution will remain an indispensable tool for scholar, journalist or official until the flow of information between China and the rest of the world increases.

JAPAN'S POSTWAR DEFENSE POLICY, 1947–1968. By Martin E. Weinstein. New York: Columbia University Press, 1971, 160 p. $7.50.

This concise but thorough study argues that Japanese conservative planners have managed to stick consistently to a military strategy worked out a quarter-century ago in Tokyo, not Washington. To wit: principal potential enemy, U.S.S.R.; no conceivable way to win all-out war, so the American alliance as deterrent; Self Defense Forces' task restricted to dealing with internal subversion. Only a U.S. withdrawal from the defense of Korea, suggests Weinstein, could force Japan to a more activist policy.

LE DÉFI INDUSTRIEL JAPONAIS. By Nicolas Jéquier. Lausanne: Centre de Recherches Européennes, 1970, 189 p.

The "Japanese challenge" is here somewhat ambivalently both model and threat. Jéquier's study of science and industrial policy is careful but limited by his use of Western-language sources only; his approach to international relations is marred by a marked "Yellow Peril" syndrome: ". . . what if industrial Japan should impregnate the Chinese immensity?" What indeed?

ECONOMIC DEVELOPMENT AND THE LABOR MARKET IN JAPAN. By Koji Taira. New York: Columbia University Press, 1970, 282 p. $10.00.

Taira uses sophisticated but occasionally—of necessity—speculative economic analyses to support his attempt at a wholesale debunking of received ideas about Japanese economic growth. He asserts, *e.g.* that development was not "quick" but "slow;" that the economy has not had a "dual structure;" that lifetime employment doesn't make the labor market rigid; that cultural variables play only

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a negligible role in determining Japanese economic patterns. A solid work which will stimulate controversy and raise its level.

THE JAPANESE OLIGARCHY AND THE RUSSO-JAPANESE WAR. By Shumpei Okamoto. New York: Columbia University Press, 1971, 358 p. $12.00.

Exemplary historical analysis, this study of decision-making and diplomacy in the war and peacemaking process is threateningly relevant. Okamoto, whose scholarship and style are both praiseworthy, does us a service in demonstrating how the cowardice of politicians, the vanity of military men and the ignorance of the public can have tragic consequences.

KOREAN DEVELOPMENT: THE INTERPLAY OF POLITICS AND ECONOMICS. By David C. Cole and Princeton N. Lyman. Cambridge: Harvard University Press (for Harvard's Center for International Affairs), 1971, 320 p. $12.00.

A cherished hypothesis in orthodox thinking about "modernization" has it that economic and political development go together. The authors demonstrate some evidence to support the theory in the Korea of 1963–67 but confess their inability to be sure that more riches will mean more freedom in the years to come.

Africa

THE ECONOMICS OF AFRICAN DEVELOPMENT. By Andrew M. Kamarck. New York: Praeger, 1971, 352 p. $10.00.

This up-dated, revised edition of a 1967 work remains virtually the standard text in the field.

THE POLITICS OF TRADE NEGOTIATIONS BETWEEN AFRICA AND THE EUROPEAN ECONOMIC COMMUNITY. By I. William Zartman. Princeton: Princeton University Press, 1971, 243 p. $8.50.

Weak nations can win considerable concessions in negotiations with stronger nations, argues a professor of political science at New York University. The strategies, techniques and limits of such negotiations are carefully assessed.

ORGANIZING AFRICAN UNITY. By Jon Woronoff. Metuchen (N.J.): Scarecrow Press, 1970, 703 p. $15.00.

A comprehensive, detailed historical analysis of the Organization of African Unity from 1963 to 1970.

OÙ VA LE SÉNÉGAL? By Pierre Fougeyrollas. Dakar: IFAN; Paris: Éditions Anthropos, 1970, 274 p. Fr. 26.90.

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By Donald Wasson

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